



Bloomfield Hills Schools

Scholarship • Opportunity • Integrity

Bloomfield Hills, Michigan

Comprehensive Annual Financial Report

For the Year Ended June 30, 2006



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For the fiscal year ended
June 30, 2006

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Superintendent of Schools

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Bloomfield Hills Schools

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Issued Under
Separate
Cover



August 18, 2006

To Citizens and Board Members:

The Comprehensive Annual Financial Report of Bloomfield Hills Schools (the “School District”) for the fiscal year ended June 30, 2006 is submitted herewith. This report was prepared by the School District and contains all activities and programs of the Board of Education. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the School District. We believe that the data as presented is accurate in all material respects and is presented in a manner designed to fairly set forth the financial position and results of operations of the School District as measured by the financial activity of its various funds. All disclosures necessary to enable the reader to gain the maximum understanding of the School District’s financial affairs are included.

Reporting Entity and Services

Bloomfield Hills Schools is an independent reporting entity fully meeting the criteria established by the Governmental Accounting Standards Board. All funds and reporting levels of the School District are included in this report. The School District does not have component units.

The financial section reports separately the district-wide reporting level, governmental fund types, proprietary fund type, and fiduciary fund types administered by the School District.

How this Report is Organized

The Comprehensive Annual Financial Report was prepared to meet the needs of a broad spectrum of financial statement readers and is divided into the following major sections: introductory, financial, and statistical.

Introductory Section

This section introduces the reader to Bloomfield Hills Schools and to this report. Included are facts about the School District, this transmittal letter, the School District’s organizational chart, and the School District’s Mission Statement and Core Values.

Financial Section

The independent auditor’s report, management’s discussion and analysis, financial statements, notes to the financial statements, and required supplementary information are included in this section. These are the School District’s basic financial statements that will provide an overview for readers who require less detailed information than is contained in the balance of this report. The management’s discussion and analysis provides condensed financial information extracted from the district-wide and fund level financial statements. We direct the reader to the management’s discussion and analysis, which starts on page 3.

The management of the School District is responsible for the financial information and representations contained in the financial statements and other sections of the annual report. In preparing the financial statements, it is necessary that management make informed estimates and judgments based on currently available information of the effects of certain events and transactions.

The basic financial statements, supplementary statements, and schedules presented in the financial section of this report present fairly and with full disclosure the financial position and results of the financial operation of the funds and reporting levels in conformity with accounting principles generally accepted in the United States of America and demonstrate compliance with finance-related legal and contractual provisions.

The basis of accounting for each reporting level/fund is consistent with the activities and objectives of the fund as a fiscal and accounting entity.

Other supplementary information and schedules contain a more detailed analysis of revenues and expenditures that are compared to the 2005-2006 budget for the General, Special Revenue, and Debt Service Funds. In addition, there are combining schedules shown by fund type with totals that agree with those reflected in the basic financial statements. Also included in this section is a schedule of indebtedness describing each debt issue along with interest rates and annual maturities, and schedule of cash and investments.

Statistical Section

Although this section contains substantial financial information, these tables differ from financial statements in that they present some non-accounting data, compare 10 years of data, and are intended to reflect economic data and financial trends of the School District.

About Bloomfield Hills Schools

The Community

Bloomfield Hills Schools covers 25 square miles of lakes and rolling wooded land in Oakland County. It is located approximately 20 miles north of Detroit, with easy access to the abundant cultural and educational activities of the metropolitan area. The School District consists of all of the City of Bloomfield Hills, approximately one-half of Bloomfield Township, and parts of West Bloomfield Township, the City of Troy, and the City of Orchard Lake Village. The population within the School District boundaries is approximately 42,000. The total population of all five municipalities without regard to the School District boundaries is 194,997 per the 2000 census. This is an established suburban residential community that encourages and supports excellence in education.

Living and learning go hand-in-hand in the Bloomfield Hills community. The schools are the centerpiece of community activities - with art shows, nature walks, sporting events, musical and dramatic performances, parenting classes, enrichment programs, and many other community education offerings.

In community surveys, Bloomfield Hills Schools has consistently scored an “A” or “B” in all areas of academia, college preparedness, and educational opportunities.

The School District’s Mission Statement and Core Values

Bloomfield Hills Schools exemplifies an interesting dichotomy. Consistent with other school districts and many businesses, the School District crafted a mission statement many years ago. The way in which the mission statement has been coupled with the School District’s core values, however, is what makes Bloomfield Hills unique and distinctive.

Scholarship, citizenship, service, and integrity form the four pillars of the mission statement. These four components are essential to an all-encompassing education. When they are interwoven with core values, they provide the compass and direction for making decisions that impact students, adults, and financial resources.

During the summer of 1998, an administrative intern working with the superintendent gathered data from several randomly selected focus groups to identify core values. This data was added to an initial listing of values that was generated by the School District’s Board of Education and administration.

Data was also gathered from other sources including newly hired staff members. Core values were mentioned during “welcome back day” remarks in late August 1998 and were integral to new staff orientation. In November 1998, a full-day workshop consisting of more than 100 participants representing a cross section of the School District also identified core values.

Recurring themes emerged and by early spring of 1999, over 400 people had been involved in the process. The School District’s Board of Education formally adopted the mission statement and core values in June 1999. The mission statement and core values jointly drive planning and decision-making with regard to all aspects of organizational life. Yearly Board of Education goals are organized into major categories of the School District’s core values, with target goals in each category.

Blending the School District’s mission and core values ensures a recipe for successful experiences for students and adults, and provides a secure financial future.

A copy of the School District’s mission statement and core values is provided at the end of the introductory section.

Instructional Program

Bloomfield Hills Schools is steadfast in the belief that its primary responsibility is to provide optimal educational opportunities for students from pre-kindergarten through grade 12.

School District administrators study societal and economic trends with a watchful eye toward students' future opportunities. Students need a solid academic foundation combined with adaptability, resourcefulness, and enterprise in preparation for their success in a world of rapid change. Continual and thoughtful review of curriculum and program options strengthens learning experiences for students.

Toward this end, the School District is continually striving for professional growth in order to sustain superior instruction. The School District offers a variety of ongoing and new opportunities for staff training. In addition, enthusiastic staff optimizes student learning by creating innovative programs. Parents, community members, and representatives from the business sector have ever-increasing opportunities to work with instructional staff to consider program options and create new partnerships within its schools.

The School District is investigating funding options, which will permit it to continue offering myriad opportunities for a global education to its students in the third millennium. Ongoing programs and supports enable students to develop skills for effective participation as adults in a democratic society.

Elementary Schools

The School District's six exemplary elementary schools provide comprehensive instruction in language arts, math, social studies, Spanish, science, technology, art, music, and physical education. Each building has one or more half-day kindergartens, a fee-based extended day kindergarten program, and grades one through five.

The outstanding core curriculum includes hands-on computer skills training and science exploration, beginning with the instruction at the kindergarten level. Each room is fully equipped with a science laboratory. Every student has access to mobile technology units.

Way Elementary School has extended its educational calendar by starting earlier in August and ending later in June. Two intercessions have been added to provide additional days, bringing the yearly total to 188.5 days of instruction. Each intercession is a separate, highly integrated, hands-on learning opportunity designed to be a challenging and stimulating experience. The program is a choice made available to all elementary students within the School District.

Lone Pine Elementary School has adopted the International Baccalaureate Primary Years Programme (PYP). PYP requires a cross-disciplinary, inquiry-based approach to teaching and learning. Students see the natural connections between subjects taught, and learn to develop meaningful questions about content and their own learning, while concurrently acquiring skills that enable them to assess the validity and impact of information they discover. The PYP is internationally accredited and requires an international focus for instruction, which helps students understand and appreciate the importance of examining issues from multiple perspectives and cultures.

Middle Schools

The School District's nationally recognized middle school program focuses on the curricular areas of math, science, reading, writing, and social studies, and is team-taught in an uninterrupted block of time.

Beyond the "basics," the School District middle school philosophy focuses on the development of social, emotional, and academic confidence of its students. The School District's three award-winning middle schools serve students in grades six, seven, and eight.

Consultant teams also work with the teachers to provide enrichment and remedial programs in addition to exploratory classes offered in foreign language, practical and fine arts, music, health and physical education, and computer literacy.

West Hills Middle School has adopted the International Baccalaureate Middle Years Programme (MYP). The MYP has similar goals as the Primary Years Programme (PYP) discussed in the last paragraph under Elementary Schools. MYP focuses on the critical transitional stage from childhood into adulthood and is designed for students between the ages of eleven and sixteen.

High Schools

Recognized by the U.S. Department of Education as "Outstanding Schools," the School District's two high schools, Andover and Lahser, annually produce an average of 19 National Merit Scholarship winners, 98 percent college applicants, and a generous number of Presidential Scholars in academics and the arts.

As an option available to students during their high school career, the School District has developed the Model High School program. Students apply for half- or full-day courses each semester. Largely self-directed and entrepreneurial in its approach, it allows students with a passionate interest in a particular topic to pursue divergent learning styles and take a creative approach to systems thinking and problem solving.

Andover High School has adopted the International Baccalaureate Middle Years Programme (MYP) as an option for students in ninth and tenth grades. Andover's MYP has similar goals as the MYP discussed in the last paragraph under Middle Schools. Increasingly, universities are inquiring in their application process whether students have participated in International Baccalaureate-sanctioned curriculum programs.

An alternative high school operates at the School District's Charles L. Bowers School Farm. At-risk students participate in this unique culture that provides an optimal learning environment. Student to adult ratio is approximately 5:1. This gives students greater opportunities for individual attention, supervision, and potential mentoring experiences.

In addition, the School District operates, in consortium with 11 school districts in Oakland County, the International Academy. Upon graduation, students earn a world-recognized International Baccalaureate diploma. With a 205-day school year and eight hours of instruction per day, the Academy provides a unique blend of rigorous academic standards and practical, career-related learning.

Specialized Learning Facilities

The E.L. Johnson Nature Center is an outdoor learning area set aside to develop and encourage outdoor, ecological education and activities for students. Programming is scheduled for each grade level consistent with their learning skills and aptitude. The Nature Center is also a community resource, which operates throughout the year.

The Charles L. Bowers School Farm is a learning laboratory for the School District's K-12 students. Students participate in AgriScience courses, appropriate for their learning level, that relate to the environmental sciences and food production. As one of the few remaining working farms in Oakland County, the Bowers School Farm is shared with all community members through special programs offered throughout the year.

Special Needs Facilities

The School District operates five Oakland County Special Education center programs:

- Early intervention
- Deaf baby
- Deaf and hard of hearing (sign and oral)
- Severely and cognitively impaired
- Severely multiply impaired

SCAMP is a five-week summer day-camp program for children with special needs. The program is operated by Bloomfield Hills Schools and is funded through tuition and donations.

Preschool and Child Care Services

The School District places a deliberate focus on preschool and child care services. Such services round out the kindergarten through twelfth grade program and provide truly comprehensive services to families. The preschool program prepares children for kindergarten beginning at the age of 2-1/2 years old. Preschool instruction is developmentally appropriate and aligns seamlessly with early elementary instruction.

Preschool services are fee-based and operate at three sites under the brand Bloomin' Kids. These sites were specifically designed and built for preschool-aged children. Two of these facilities are built as additions to existing elementary schools, with enhanced interactions with these elementary schools (Conant and Lone Pine schools). The third is a spacious facility at Fox Hills, which is fully remodeled for preschool-aged children.

The Fox Hills facility also provides child care, beginning with infants. In addition, child care is provided at each elementary school for students who need a safe, supervised environment before and after school.

Recreation and Community Services

The School District's Recreation and Community Services Department operates a host of other community outreach programs. Programs are developed to appeal to all ages in the community from preschoolers to adults. The School District's indoor and outdoor facilities are used to operate both recreational and community outreach programs. Facilities owned by the School District provide the only source of community recreation related activities in the Bloomfield Hills area.

Student and Staff Recognition

The School District is proud of the many achievements of students and staff in 2005-2006. A list of some of these achievements is included at the conclusion of the introductory section.

Financial Status of the School District

Excellence in academic and instructional learning and dedication to fiscal responsibility define Bloomfield Hills Schools. Sound fiscal decisions are based on continuous planning and close monitoring. The financial management challenges are twofold:

- Provide students with the latest learning tools, including research and technology
- Provide students with a safe and effective learning environment

Budgetary and Internal Controls

The School District's Board of Education maintains a system of budgetary and internal controls designed to assist management in meeting its responsibility for reporting reliable information. The system is designed to provide reasonable assurance that assets are safeguarded and transactions are recorded and executed with management's authorization. Internal control systems are subject to inherent limitations with regard to the necessity to balance cost against the benefits produced. Management believes that the existing system of budgetary and accounting control provides reasonable assurance that errors or irregularities that could be material to the financial statements are prevented or would be detected within a timely period. The School District utilizes a functional budget that is prepared according to the guidelines and requirements set forth in state law and the *State Financial Reporting Manual*.

During the fiscal year, a monthly financial report is provided to the Board of Education for the budgetary funds, which includes the function budget, current year-to-date revenues and expenditures, and budget variances. In addition, monthly budget reports summarizing the remaining balances to be spent are provided to each budget manager. The budget manager is also provided a detail of monthly transactions, including spending and committed purchases for each budget under their control.

The report of the School District's independent certified public accountants, Plante & Moran, PLLC, appears on pages one and two of this report. Their audit of the basic financial statements was performed in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* and, accordingly, included a review of the Board of Education system of budgetary and accounting controls.

Capital Projects

The last bond issue for Building and Site purposes was approved by voters in November 1997. The amount was \$25 million for renovation of facilities, science rooms, gymnasiums at secondary schools, and technology. All of these projects were successfully completed on time and within budget.

Currently, funding for capital projects is provided primarily by a sinking fund millage approved by voters on June 14, 2004. Voters approved 1.5 mills for 10 years ending in fiscal year 2013-2014. This millage generated \$5.3 million for fiscal year 2005-2006, and is expected to generate a similar amount annually until it expires. Use of sinking fund millage revenue is limited to the construction and repair of schools. A comprehensive 10-year plan exists for the funds, and the Board of Education approves a list of capital projects each fall for the succeeding year.

The Capital Improvements Fund is used to account for financial resources to be used for construction or major renovation of facilities and is funded by General Fund transfers and interest earnings. This fund has been used mainly as a liquidity measure for capital projects that rely on future source of funding. Such projects include facility additions to the International Academy, HVAC updates based on Durant Bond funds, Bloomin' Kids Preschool construction, etc.

Risk Management

The School District's management is charged with the responsibility of supervising the protection of the School District's assets by employing various risk management techniques and procedures to absorb or transfer risk. The School District participates in a risk pool for claims relating to property loss and torts. In addition, the School District carries excess insurance to cover losses above the pool limit, as well as commercial insurance for errors and omissions. The School District's assets are insured for replacement values.

The School District is self-insured for workers' compensation claims. Reserves for unreported claims have been accrued in the district-wide statements.

The School District is also self-insured for employee medical, dental, and vision claims. The School District maintains excess loss insurance of \$75,000 per specific loss. The School District estimates the liability for claims that have been incurred through the end of the fiscal year, including both those claims that have been reported as well as those that have not yet been reported. These claims estimates are recorded in the district-wide statements.

The School District is in compliance with the Right to Know legislation, including preparation of a Hazard Communication Manual, establishment of directories for all material safety data sheets, employee training, and the use of labels on all hazardous materials used by the School District.

Cash Management

The School District has a prudent cash management program that consists of expediting the receipt of revenue and prudently investing all available cash. Zero balance checking accounts for payroll and accounts payable are utilized. All School District revenue is deposited into cash management investment pools. Software has been installed to allow on-line real-time tracking of the School District's banking activity. The goal of the system is to: (1) safeguard the School District's cash, (2) maximize interest earnings, and (3) reduce the cost of banking services. Management believes that the system in place has accomplished all three goals.

The School District invests in bonds, bills, or notes of the United States in which the principal and interest are fully guaranteed by the state or federal government, certificates of deposit issued by a state or national bank, and commercial paper rated prime at the time of purchase and maturing not more than 270 days after the date of purchase. Total interest earned was \$2,587,421 for all governmental activities for the year ended June 30, 2006.

Economic Conditions and Outlook

This section provides a brief discussion of the economic and legislative factors that impact the financial health of Bloomfield Hills Schools and the School District's response to manage its revenue and control its operating cost. The discussion will include the major initiatives undertaken by the School District to better serve the community and achieve sound financial management.

The School District enjoys a solid economic base. Total taxable value was \$3.558 billion for fiscal year 2005-2006 compared with \$3.416 billion for fiscal year 2004-2005. There was a growth of \$142 million, or 4.2 percent. Taxable value for fiscal year 2005-2006 amounts to \$597,941 per enrolled pupil. Homestead taxable value accounts for \$2.962 billion and nonhomestead taxable value accounts for \$596 million. The tax base is predominantly residential, with \$280 million of residential property classified as nonhomestead because these properties represent second homes to the owners. The nonresidential segment of the tax base is light commercial in nature, consisting of a broad mix of professional services and retail business.

Funding

On March 15, 1994, Michigan voters enacted the current school financing plan, commonly referred to as Proposal A. The new school financing plan involved dramatic cuts in local school property taxes and a 50 percent increase in the sales tax. This completely changed the method by which schools received their funding. Proposal A took effect for the school fiscal year 1994-1995. Funding for public schools is now based on a system whereby each school district receives a specific amount of revenue for each enrolled pupil. This amount is called the "per pupil foundation allowance." Statewide, the revenue per pupil for fiscal year 2005-2006 ranged from \$6,875 to \$12,130. The Michigan legislature determines the revenue amount for each pupil. The core revenue budget for a school district is based on the number of students enrolled multiplied by the per pupil foundation allowance.

Under Proposal A, state sales taxes, rather than local property taxes, account for the largest portion of school financing. Therefore, the fortunes of school districts are tied to the general health of the Michigan economy. Each year the legislature establishes the amount of increase in revenue per pupil. The increase is usually a fixed dollar amount. As a result, school districts with lower revenue per pupil receive a higher percentage increase, while those with higher revenue per pupil receive a lower percentage increase each year. In summer 2000, the Michigan legislature enacted a three-year School Aid Bill, which provided increases in revenue per pupil of \$300 in fiscal year 2000-2001, \$300 in fiscal year 2001-2002, and \$200 in fiscal year 2002-2003. The downturn in the economy resulted in reduced revenue collections for the State School Aid Fund. In light of the economic downturn, the legislature did not appropriate an increase in the foundation allowance in fiscal year 2003-2004 and fiscal year 2004-2005. The legislature did appropriate an increase of \$175 in fiscal year 2005-2006.

Financial Forecast

From fiscal years 1995 through 2006, the School District had an average annual growth in per pupil revenue of 1.5 percent, compared with the Consumer Price Index of 2.8 percent during the same 11-year period under Proposal A. This restrictive revenue growth trend is expected to continue in the future. The high and growing tax base of the School District does not translate into solid growth in operating revenues due to the fact that the school funding formula provides a fixed dollar amount to each enrolled pupil. Bloomfield Hills Schools ranks among the top in per pupil revenue for school districts in Michigan. As such, the School District receives the lowest percentage increase in the state. This is due to the fact that the legislature appropriates a flat dollar increase to all school districts, rather than a percentage increase. Also, the School District is faced with the threat of a declining pupil enrollment base due to the low mobility rate of the community. The possible combination of slow growth in our revenue per pupil and the prospect of declining pupil enrollment would be devastating to the School District. The School District responds by continuously finding ways to enhance revenue and systematically reduce the cost of operations.

Bloomfield Hills Schools seeks to enhance revenue by the following means: encouraging residents to choose the School District, attracting nonresidents to the School District, and developing improved programs to meet the diverse needs of students and families. The School District is one of several choices for its residents. Other choices include nonpublic schools, home schooling, and other school districts. School District staff provides service to each enrolled family or potential enrollee with the full knowledge that each resident is important to the School District.

Nonresidents are attracted to the School District through our Non-Resident Tuition Program, the first of its kind in Michigan. This program had approximately 154 nonresident pupils enrolled for the 2005-2006 school year, its eighth full year of operation. This program has been the source of much needed revenue growth for the School District, while at the same time, permitting much more efficient use of facilities and staff. In addition, children of nonresident employees are allowed to attend school as residents of the School District under a new law that took effect for the 2004-2005 school year. A total of 52 children of employees were enrolled, bringing the total nonresident enrollment to 206 and further stabilizing the School District's overall enrollment.

Improved programs are developed to meet the diverse needs of the School District's population and stabilize enrollment. At the high school level, three nontraditional options are the Alternative High School, Model High School, and International Academy Consortium as discussed earlier in this report. These options have fulfilled the needs of students who otherwise might have left the School District to exercise other choices.

The School District's budget controls are designed to ensure that the School District will spend within the limits of its available revenue. The approach to cost management has been a proactive one, in anticipation of slow revenue growth. Systematic cost reductions have been planned and implemented in both the instructional programs and supporting services. The School District expects sound and efficient cost management from individual department heads on an ongoing basis.

Major Initiatives and Future Programs

The three main pillars of our strategic focus are student achievement, financial stability, and effective communications with all audiences on whom our success depends. These pillars are drilled down from the School District's mission and core values. Current and future management and operational efforts and initiatives of the School District are being filtered through the three pillars.

During the 2005-2006 school year, the School District utilized the management consulting services of Berkshire Advisors to review and advise on the centralized administrative structure of the School District. Effectiveness, efficiency, and cost of the central administration structure were carefully analyzed. The study advised that costs were in line with the expected level of effectiveness; however, costs should be redistributed somehow in order to better address certain strategic imperatives. The main strategic imperative identified was the need to develop and implement competitive educational strategies in order to maintain the top rankings historically enjoyed by the School District. Many initiatives are being undertaken in order to benefit from the insights uncovered from the study. However, the major initiatives revolve around stepped-up efforts to develop an aligned curriculum and quality instructional practices that will result in the highest levels of student learning and performance.

Also in 2005-2006, a feasibility study was conducted for the purpose of assessing the likelihood of success in embarking on a major fund-raising campaign. The concept of major fund-raising is essentially the approach that has been successful at universities, based on philanthropy. The School District's case for support is rooted in the vision to create an endowment to permanently finance the annual costs of cocurricular programs currently at \$2 million. The results of this fund-raising feasibility study will be carefully reviewed and appropriate elements possibly acted upon beginning in 2006-2007.

The School District continues to study the current condition and possible future options regarding the physical plant of its two comprehensive high school campuses, which are approximately 50 years old. There is consensus that a renewal of the physical plant is needed. However, the options for renewal range from various levels of renovation to outright replacement. This study is currently being conducted under the umbrella of long-range strategic master planning. This issue, taken together with the Berkshire Study and the fund-raising feasibility study, is directly tied to the three pillars of strategic focus described above.

Independent Audit

Plante & Moran, PLLC, certified public accountants, audited the School District's financial statements as of June 30, 2006. Their audit was made in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*. The financial statements present fairly the financial position of Bloomfield Hills Schools at June 30, 2006. Their audit also included the single audit on federal financial assistance programs, which is published under separate cover. A copy of the single audit report can be obtained from the School District's Business Office.

Excellence in Financial Reporting

The School District is committed to providing its citizens and other users with comprehensive financial reporting. For school districts meeting the requirements of a Comprehensive Annual Financial Report, the Association of School Business Officials International (ASBO) awards a Certificate of Excellence in Financial Reporting. The School District received its sixth Certificate of Excellence in Financial Reporting from the ASBO for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2005.

In order to be awarded a Certificate of Excellence, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report whose contents conform to program standards. Such reports must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Excellence is valid for a period of one year only. We believe our current report conforms to program standards and we are submitting our report to ASBO to determine its eligibility for this certificate.

Acknowledgements

The preparation of this report on a timely basis could not have been accomplished without the effort and dedicated services of the entire staff of the Business Services Department. We would like to express our appreciation to all members of this office for their participation in preparing this report. We also express our appreciation to other departments and individuals who assisted in the preparation of this report. Additionally, we thank the audit staff of Plante & Moran, PLLC for their assistance.

Sincerely,



Karen Hildebrandt
Executive Manager of Finance



Timotheus Weeks, CPA, CFO
Assistant Superintendent for Business Services



Steven Gaynor, Ph.D.
Superintendent

Bloomfield Hills Schools

General Fund Balance Sheet

As of June 30, 2006



Assets	<u>\$39,283,903</u>	
Liabilities	\$13,913,119	
Fund equity:		
Reserved for prepaid expenditures	475,251	*
Reserved for encumbrances	361,813	*
Designated for community recreation	1,368,140	*
Designated for food service	282,095	*
Designated for center programs	2,322,058	*
Designated for program carryover	790,533	
Designated for International Academy	493,652	*
Designated for revenue stabilization	6,010,623	
Undesignated	<u>13,266,619</u>	
Total fund equity	<u>25,370,784</u>	*
Total liabilities and fund equity	<u>\$39,283,903</u>	

* Total amount of fund equity includes items that are not available for general use – the amount available for general use is \$20,067,775.

Bloomfield Hills Schools

General Fund Statement of Revenue, Expenditures, and Changes in Fund Equity Year Ended June 30, 2006

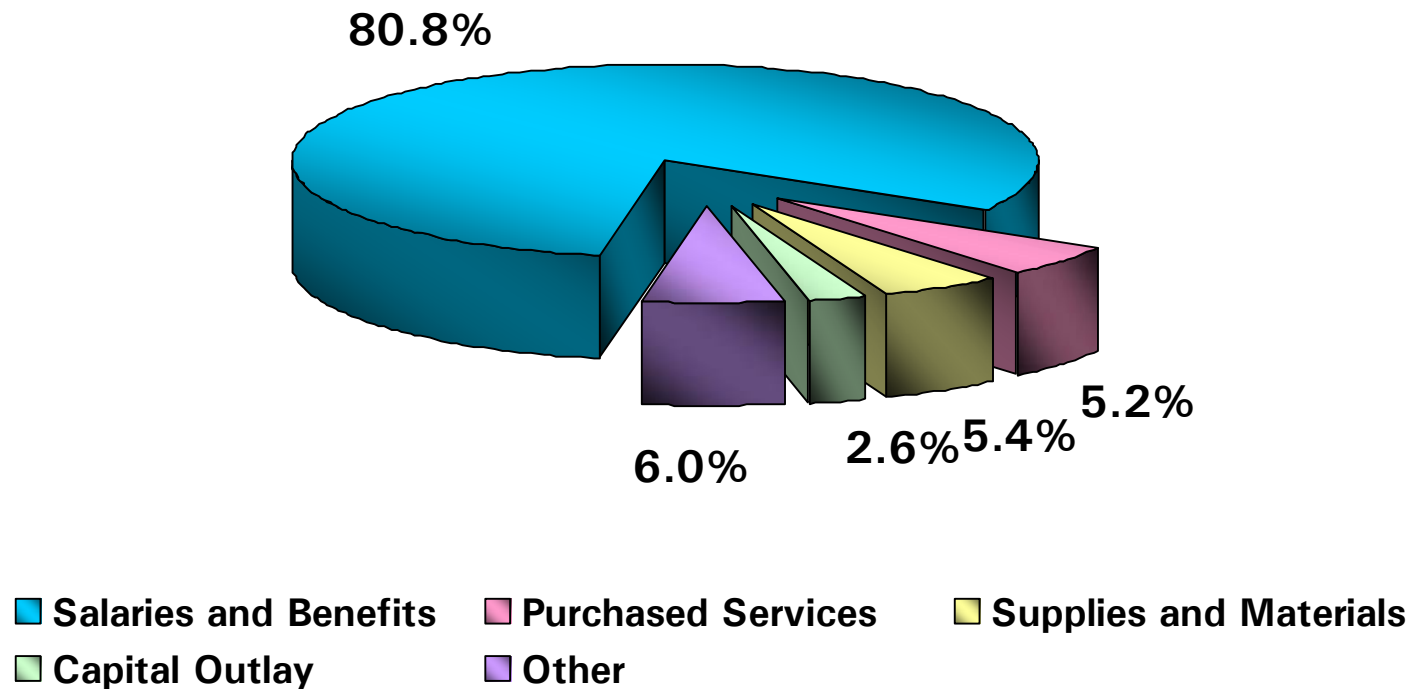


Revenue	\$100,286,389
Expenditures	<u>92,944,604</u>
Excess of revenue over expenditures	7,341,785
Other financing uses - net	<u>(5,351,376)</u>
Net change in fund balance	1,990,409
Fund equity – July 1, 2005	<u>23,380,375</u>
Fund equity – June 30, 2006	<u><u>\$25,370,784</u></u>



Bloomfield Hills Schools

Analysis of General Fund Expenditures
Year Ended June 30, 2006



Bloomfield Hills Schools

Undesignated General Fund Balance as a Percentage of Expenditures As of June 30, 2006

Bloomfield Hills School District Undesignated Fund Equity

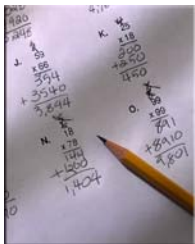
Fund balance/expenditures 13.5 %*

Equivalent days based on:

365-day calendar year 49 Days

180-day school year 24 Days

***Undesignated fund balance at June 30, 2006 = \$13,266,619**



Bloomfield Hills Schools

Foundation Allowance Data

Fiscal Years 1994-95 and 2001-02 through 2005-06



	<u>FISCAL YEARS</u>						
	<u>1994-95</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>Cumulative</u>
Minimum foundation allowance	\$4,200	\$6,500	\$6,700	\$6,700	\$6,700	\$6,875	
Increase (decrease)		500	200	0	0	175	
Percent change		8.33%	3.08%	0.00%	0.00%	2.61%	63.69%
Base foundation allowance	\$5,000	\$6,500	\$6,700	\$6,700	\$6,700	\$6,875	
Increase (decrease)		500	200	0	0	175	
Percent change		8.33%	3.08%	0.00%	0.00%	2.61%	37.50%
Maximum (Hold-harmless)	\$6,500	\$7,800	\$8,000	\$8,000	\$8,000	\$8,175	
Increase (decrease)		300	200	0	0	175	
Percent change		4.00%	2.56%	0.00%	0.00%	2.19%	25.77%
Bloomfield Hills School District							
Foundation allowance	\$10,454	\$11,755	\$11,955	\$11,955	\$11,955	\$12,130	
Increase (decrease)		300	200	0	0	175	
Percent change		2.62%	1.70%	0.00%	0.00%	1.46%	16.03%
Consumer Price Index (CPI)	144.5	172.2	177.1	179.9	184.0	188.9	
Percent change	3.00%	3.40%	2.80%	1.60%	2.30%	2.70%	30.73%

Bloomfield Hills Schools
Points of Pride

STUDENTS

- ◆ The Forensic Team has won 13 State Championship titles in the past 14 years.
- ◆ Five students throughout the School District received awards in the Oakland County Area 15 Special Olympics Regional Swim Meet.
- ◆ Band and choir students were the recipients of numerous first-division ratings at regional and state levels.
- ◆ The National Academy of Television Arts and Science have presented Emmy awards to students for their productions for the 18th year.
- ◆ World Language students received outstanding scores on national exams and received numerous national awards.
- ◆ Since 1969, students in the Visual Arts have continued to earn regional and national awards in Scholastic Art Awards Competition.
- ◆ The Forensics Team received numerous trophies and ribbons at the state competition.
- ◆ Two Pine Lake Elementary students had perfect scores on the WordMasters Challenge.
- ◆ Industrial technology classes utilize computer-aided design software to achieve real-life experiences in the industrial design world.
- ◆ Several students earned the Presidential Physical Fitness Award.
- ◆ The Conant (Elementary) Community School bank is a student-operated branch of Comerica Bank.
- ◆ Several students received Outstanding Youth Citizen Awards from Bloomfield Youth Guidance.
- ◆ Several students received Outstanding Student Awards from Oakland Technical Campus Southeast.
- ◆ An East Hills Middle School student, taking Honors Pre-Calculus at Lahser High School, is the lead scorer in the Michigan Math League Competition and took fifth place in the Mathcounts State Competition and received a medal in the Sigma Competition.
- ◆ A Bloomfield Hills Middle School student won the Jackie Robinson Memorial Art, Essay and Poetry contest.

- ◆ An Andover High School student was the Detroit News Student of the Week.
- ◆ An Andover High School student was the grand winner at the 49th Annual Science and Engineering Fair.

HIGH SCHOOL INSTRUCTION

- ◆ Consistently large number of National Merit Scholar winners
- ◆ Score well above county, state, and national averages on SAT and ACT tests
- ◆ ACT test scores are the highest in Oakland County.
- ◆ Through Advanced Placement tests, many seniors acquire college credit before entering college.
- ◆ WBFH was named the Michigan Association of Broadcasters High School Station of the Year.

MIDDLE SCHOOL INSTRUCTION

- ◆ The Connected Mathematics Program (CMP) was developed for a smooth transition to high school math.
- ◆ Staff posted assignments and classroom information on the World Wide Web to improve communication with parents and students.
- ◆ The Previewing, Assimilation, Recall (PAR) program assists students with learning.
- ◆ Interdisciplinary Units offer holistic learning experiences and serve as instructional focal points.
- ◆ Unified Arts Program provides a creative and integrated exploratory experience in Fine Arts.
- ◆ The Student Center is a technology-rich center that provides in-class support and assistance for students and staff.
- ◆ The Circle of Friends Program facilitates the integration of special needs students into the regular school program.
- ◆ Sports for all students emphasize participation and skill development. Over 90 percent of the students participate in one or more sports.

ELEMENTARY SCHOOL INSTRUCTION

- ◆ Differentiated instruction in the classroom allows fitting the curriculum to the child rather than fitting the child to the curriculum.
- ◆ Children are exposed to the world of work through classroom visits, organized programs, field trips, simulations, and actual experiences.
- ◆ The Love and Logic program is being integrated into one of the elementary schools, allowing students to have accountability for their own actions.
- ◆ All second and third graders use Alpha Smarts and fourth and fifth graders use eMates as organizational tools.
- ◆ Staff and PTO members at one of our elementary schools sponsor the International Club, formed to help new families acclimate to life in the United States.
- ◆ The Newcomer Program for non-English-speaking students from across the School District is in its tenth year.
- ◆ Integrated Fine Arts Program, "We Are Family," promotes State benchmarks in art and music.
- ◆ The Student Center offers the Accelerated Reader program; Equations, a math problem-solving game; and Word Master Challenge, a language arts program.
- ◆ Physical education highlights include classroom championships in team sports.

STAFF

- ◆ An Andover High School teacher was recognized as a teacher of merit in the Intel Science Talent Search.
- ◆ A Bloomfield Hills Middle School teacher won the Oakland Schools Outstanding Teacher Award.
- ◆ BHS bus mechanics are responsible for our 12th consecutive perfect State Police bus inspection.
- ◆ An Andover High School orchestra director was recognized for a performance at the 2006 Michigan Music Conference.
- ◆ A coach won the Bruce Harlan diving coach award.
- ◆ Teachers from the School District have been named Oakland County Teacher of the year for the past four years.
- ◆ Over 75 percent of faculty members have advanced degrees and all teach in their major field of study.

DISTRICT

- ◆ All of our elementary and middle schools are immersed in the integration of hand-held technology into our daily instruction.
- ◆ Eastover and Hickory Grove Elementary schools began after school Title I programs, and Hickory Grove added a “jump start” component. Both schools have improved reading scores due to this programming.
- ◆ In a recent community survey, 88 percent of respondents gave the School District an A or B grade overall.
- ◆ In the same survey, 93 percent agreed with the statement that their tax dollars are well spent on Bloomfield Hills Schools.
- ◆ When asked what they like most about Bloomfield Hills Schools, respondents cited quality of education, quality of teachers, high academic standards, and location and facilities.
- ◆ The School District is connected by fiber optics through the 200ONE program to all 28 school districts in Oakland County. This network provides high-speed access to the Internet and allows for communication with two-way interactive video.
- ◆ The School District holds its annual art fair at the Elizabeth Stone Gallery, which provides students with an opportunity to have their art on display in a gallery setting. Numerous other business partnerships exist across the School District.
- ◆ The School District has developed a partnership with the Mental Illness Research Association and coordinates speakers who address topics of interests to parents.
- ◆ For 45 years, the School District has presented art and music students with the Traub Scholarship. The scholarship was established by a community resident in honor of her husband and provides funding for high school seniors to travel to Europe the summer after graduation. Staff and community members adjudicate applicants.
- ◆ The School District is a member of the Oakland University China Consortium and receives exchange teachers from Guiyang, the capital of Guizhou province in southwest China. Additionally, the School District has established an exchange program with the Shiga Prefecture in Japan and receives exchange teachers each year.
- ◆ All of the School District’s high schools have been identified in the Newsweek’s “Best 100 High Schools in the Nation”. The International Academy was identified as number two.
- ◆ All students participate in community service projects. The School District’s Parent Teacher Organization also participated in a district-wide activity for the national Make a Difference Day in October. Their efforts were highlighted last year in *USA Weekend*.

Bloomfield Hills Schools Mission Statement and Core Values

The mission of Bloomfield Hills Schools is to enable learners to become architects of their futures, building on a foundation of scholarship, citizenship, service, and integrity.

Students

Safe Learning Environment

We will provide all learners with an environment that is physically, emotionally, and intellectually safe, and that encourages inquiry and self-expression.

Choices

We will offer learning choices that develop each student's intellectual, emotional, social, creative, aesthetic, and physical dimensions.

Purpose and Meaning

We will provoke self-reflection so that students may find meaning and purpose in life.

Adults

Passion for Learning

We embrace an attitude, willingly expressed, that relishes wonder, craves knowledge, seeks meaning, loves challenge, and pursues innovation.

Responsibility

We will engage in continuous growth and improvement, make decisions that enhance student learning, and provide opportunities for the community to learn with us.

Resources

Mission-Centered Use of Financial Resources

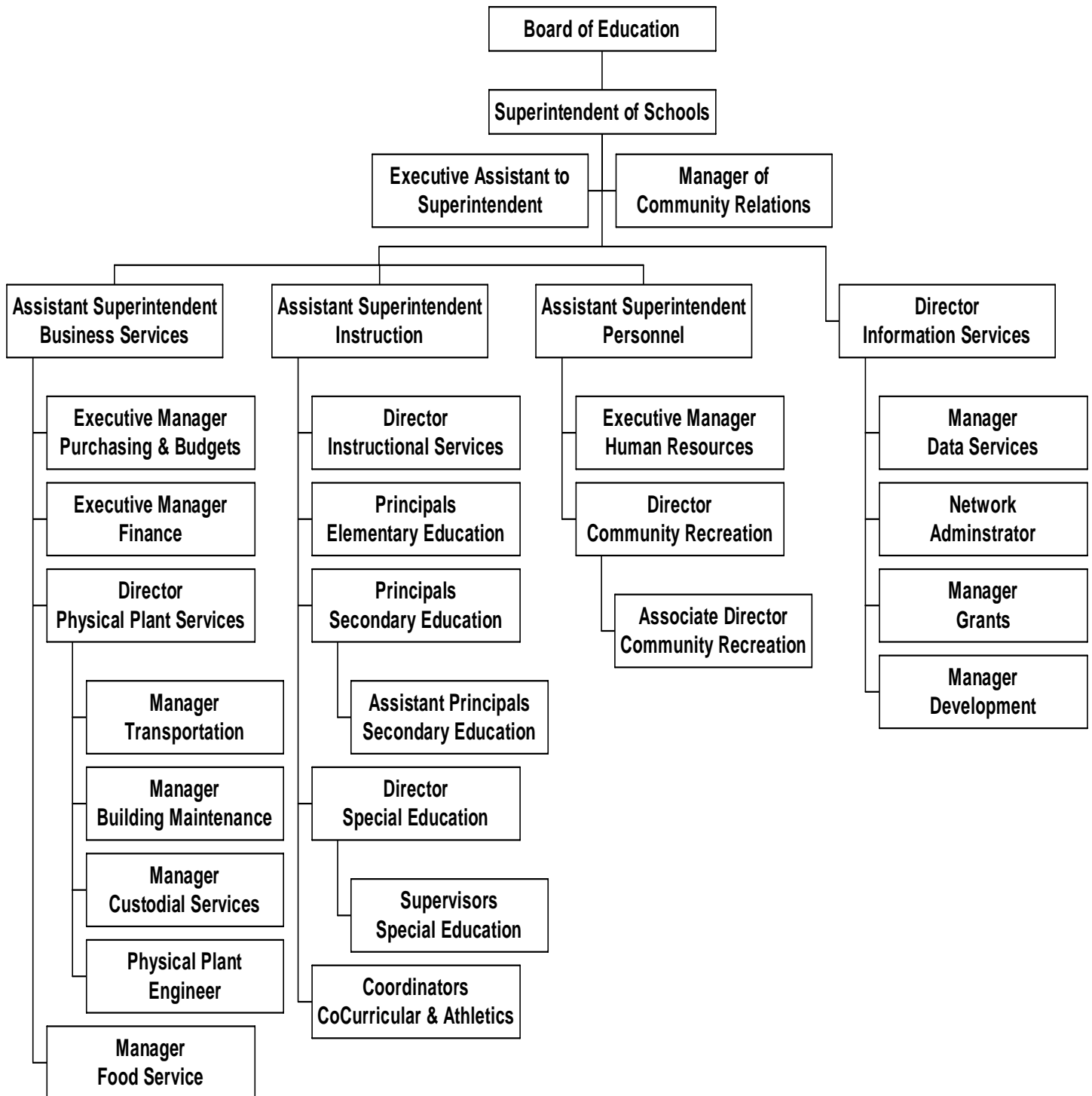
We will direct our resources toward our mission in ways that balance our core values and our priority commitment to our students.

Securing the Future

We will secure our financial base by developing partnerships to enhance human and material resources.



BLOOMFIELD HILLS SCHOOLS



**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

Bloomfield Hills School District

For its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended June 30, 2005

Upon recommendation of the Association's Panel of Review which has judged that the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

President

Executive Director



Plante & Moran, PLLC
River Ridge Corporate Center
Suite 300
19176 Hall Road
Clinton Township, MI 48038
Tel: 586.416.4900
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Independent Auditor's Report

To the Board of Education
Bloomfield Hills Schools

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Bloomfield Hills Schools as of and for the year ended June 30, 2006, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Bloomfield Hills Schools' management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Bloomfield Hills Schools as of June 30, 2006 and the respective changes in financial position and cash flows, where applicable, for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and the budgetary comparison schedules, as identified in the table of contents, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

A member of



A worldwide association of independent accounting firms

To the Board of Education
Bloomfield Hills Schools

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Bloomfield Hills Schools' basic financial statements. The accompanying other supplementary information, as identified in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The other supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The accompanying introductory section and statistical tables, as identified in the table of contents, are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

In accordance with *Government Auditing Standards*, we have also issued a report under separate cover dated August 18, 2006 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide opinions on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Plante & Moran, PLLC

August 18, 2006

Bloomfield Hills Schools

Management's Discussion and Analysis

This section of Bloomfield Hills Schools' annual financial report presents our discussion and analysis of the School District's financial performance during the year ended June 30, 2006. Please read it in conjunction with the School District's financial statements, which immediately follow this section.

Using this Annual Report

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Bloomfield Hills Schools financially as a whole. The government-wide financial statements provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. The fund financial statements provide the next level of detail. For governmental activities, these statements tell how services were financed in the short term as well as what remains for future spending. The fund financial statements look at the School District's operations in more detail than the government-wide financial statements by providing information about the School District's most significant funds - the General Fund, Capital Improvements Fund, Sinking Fund, and Cocurricular Endowment Fund - with all other funds presented in one column as nonmajor funds. The School District also has established a proprietary fund - the Internal Service Fund - primarily for compensated absences and self-insurance activity. The remaining statement, the statement of fiduciary net assets, presents financial information about activities for which the School District acts solely as an agent for the benefit of students and parents.

The annual report is arranged as follows:

Management's Discussion and Analysis (MD&A)
(Required Supplementary Information)

Basic Financial Statements

District-wide Financial Statements Fund Financial Statements

Notes to the Basic Financial Statements

(Required Supplementary Information)
Budgetary Information for Major Funds

Other Supplementary Information

In addition, the School District has added the introductory section and statistical section to complete its Comprehensive Annual Financial Report.

Bloomfield Hills Schools

Management's Discussion and Analysis (Continued)

Reporting the School District as a Whole - Government-wide Financial Statements

One of the most important questions asked about the School District is, "As a whole, what is the School District's financial condition as a result of the year's activities?" The statement of net assets and the statement of activities, which appear first in the School District's financial statements, report information on the School District as a whole and its activities in a way that helps you answer this question. We prepare these statements to include all assets and liabilities, using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the School District's net assets - the difference between assets and liabilities, as reported in the statement of net assets - as one way to measure the School District's financial health or financial position. Over time, increases or decreases in the School District's net assets - as reported in the statement of activities - are indicators of whether its financial health is improving or deteriorating. The relationship between revenues and expenses is the School District's operating results. However, the School District's goal is to provide services to our students, not to generate profits as commercial entities do. One must consider many other nonfinancial factors, such as the quality of the education provided and the safety of the schools, to assess the overall health of the School District.

The statement of net assets and the statement of activities report the governmental activities for the School District, which encompass all of the School District's services, including instruction, support services, community services, athletics, and food services. Property taxes, unrestricted state aid (foundation allowance revenue), and state and federal grants finance most of these activities.

Reporting the School District's Most Significant Funds - Fund Financial Statements

The School District's fund financial statements provide detailed information about the most significant funds - not the School District as a whole. Some funds are required to be established by State law and by bond covenants. However, the School District establishes many other funds to help it control and manage money for particular purposes (the Food Services and Cocurricular Funds are examples) or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (such as bond-funded construction funds used for voter-approved capital projects). The governmental funds of the School District use the following accounting approach:

Bloomfield Hills Schools

Management's Discussion and Analysis (Continued)

Governmental funds - All of the School District's services are reported in governmental funds. Governmental fund reporting focuses on showing how money flows into and out of funds and the balances left at year end that are available for spending. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the operations of the School District and the services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the School District's programs. We describe the relationship (or differences) between governmental activities (reported in the statement of net assets and the statement of activities) and governmental funds in a reconciliation.

The School District also established a proprietary fund, specifically an Internal Service Fund, to finance specific services provided to other funds of the School District on a cost-reimbursement basis. The specific services include health insurance, workers' compensation, accrued vacation pay, and termination pay. The proprietary fund uses the following accounting approach:

Proprietary fund - Proprietary fund reporting focuses on economic resources measurement and an accounting method called full accrual accounting. The proprietary fund statements present a long-term view of operations and the services it provides to other funds.

The School District as Trustee - Reporting the School District's Fiduciary Responsibilities

The School District is the trustee, or fiduciary, for its student activity funds. All of the School District's fiduciary activities are reported in a separate statement of fiduciary net assets. We exclude these activities from the School District's other financial statements because the School District cannot use these assets to finance its operations. The School District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

The School District as a Whole

Recall that the statement of net assets provides the perspective of the School District as a whole. Table I provides a summary of the School District's net assets as of June 30, 2006 compared with June 30, 2005.

Bloomfield Hills Schools

Management's Discussion and Analysis (Continued)

TABLE I

	Governmental Activities	
	2006	2005
	(in millions)	
Assets		
Current and other assets	\$ 70.3	\$ 68.4
Capital assets	<u>63.9</u>	<u>58.5</u>
Total assets	134.2	126.9
Liabilities		
Current liabilities	16.6	19.5
Long-term liabilities	<u>24.5</u>	<u>27.7</u>
Total liabilities	<u>41.1</u>	<u>47.2</u>
Net Assets		
Invested in capital assets - Net of related debt	42.8	34.2
Restricted	13.0	10.5
Unrestricted	<u>37.3</u>	<u>35.0</u>
Total net assets	<u><u>\$ 93.1</u></u>	<u><u>\$ 79.7</u></u>

The above analysis focuses on the net assets (see Table I). The change in net assets (see Table 2) of the School District's governmental activities is discussed below. The School District's net assets were \$93.1 million at June 30, 2006. Capital assets, net of related debt, totaling \$42.8 million, compares the original cost less depreciation of the School District's capital assets to long-term debt used to finance the acquisition of those assets. Most of the debt will be repaid from voter-approved property taxes collected as the debt service comes due. Restricted net assets are reported separately to show legal constraints from debt covenants and enabling legislation that limit the School District's ability to use those net assets for day-to-day operations. The remaining amount of net assets (\$37.3 million) was unrestricted.

The \$37.3 million in unrestricted net assets of governmental activities represents the accumulated results of all past years' operations. The unrestricted net assets balance enables the School District to meet working capital and cash flow requirements as well as to provide for future uncertainties. The operating results of the General Fund will have a significant impact on the change in unrestricted net assets from year to year.

Bloomfield Hills Schools

Management's Discussion and Analysis (Continued)

The results of this year's operations for the School District as a whole are reported in the statement of activities (see Table 2), which shows the changes in net assets for fiscal years 2006 and 2005.

TABLE 2

	Governmental Activities	
	2006	2005
	(in millions)	
Revenue		
Program revenue:		
Charges for services	\$ 11.1	\$ 10.7
State categoricals and federal grants	16.5	15.3
General revenue:		
Property taxes	41.9	41.7
State foundation allowance	38.5	37.9
Other	5.9	6.5
Total revenue	113.9	112.1
Functions/Program Expenses		
Instruction	51.6	51.8
Support services	37.4	35.3
Community services	2.9	3.2
Food services	2.2	2.2
Athletics/Pupil activities	2.2	2.2
Interest on long-term debt	1.9	1.2
Depreciation (unallocated)	2.3	2.4
Total functions/program expenses	100.5	98.3
Change in Net Assets	13.4	13.8
Net Assets - Beginning of year	79.7	65.9
Net Assets - End of year	<u>\$ 93.1</u>	<u>\$ 79.7</u>

As reported in the statement of activities, the cost of all of our governmental activities this year was \$100.5 million. Certain activities were partially funded from those who benefited from the programs (\$11.1 million) or by other governments and organizations that subsidized certain programs with grants and contributions (\$16.5 million). We paid for the remaining "public benefit" portion of our governmental activities with \$41.9 million in taxes, \$38.5 million in State foundation allowance, and with our other revenues, i.e., interest and general entitlements.

Bloomfield Hills Schools

Management's Discussion and Analysis (Continued)

The School District experienced an increase in net assets of \$13.4 million. The key reasons for the change in net assets were the creation of a new Building and Site Sinking Fund, reduction in long-term debt due to repayment of bond principal, and refunding of bonds. Also, an operating surplus was created from expense reductions imposed by the School District, and cost savings from efficiencies created, combined with higher than anticipated revenue from several sources, such as student enrollment, interest income on investments, fee-based services, and prior year adjustments to state aid.

As discussed above, the net cost shows the financial responsibility that was placed on the State and the School District's taxpayers by each of these functions. Since property taxes for operations and unrestricted state aid constitute the vast majority of district operating revenue sources, the Board of Education and administration must annually evaluate the needs of the School District and balance those needs with state-prescribed available unrestricted resources.

The School District's Funds

As we noted earlier, the School District uses funds to help it control and manage money for particular purposes. Looking at funds helps the reader consider whether the School District is being accountable for the resources taxpayers and others provide to it and may provide more insight into the School District's overall financial health.

As the School District completed this year, the governmental funds reported a combined fund balance of \$47.3 million, which is an increase of \$4.9 million from last year. The changes by major and nonmajor funds are as follows:

	General Fund	Capital Improvements Fund	Sinking Fund	Cocurricular Endowment Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
Fund Balances (Deficit) -						
Beginning of year	\$ 23,380,375	\$ 7,896,467	\$ (398,033)	\$ 9,349,740	\$ 2,213,386	\$ 42,441,935
Increase (decrease)	<u>1,990,409</u>	<u>1,093,888</u>	<u>(767,619)</u>	<u>3,449,211</u>	<u>(921,279)</u>	<u>4,844,610</u>
Fund Balances (Deficit) -						
End of year	<u>\$ 25,370,784</u>	<u>\$ 8,990,355</u>	<u>\$ (1,165,652)</u>	<u>\$ 12,798,951</u>	<u>\$ 1,292,107</u>	<u>\$ 47,286,545</u>

In the General Fund, our principal operating fund, the fund balance increased \$2.0 million to \$25.4 million. The change is due mainly to:

- Expense reductions imposed by the School District for fiscal year 2005-2006, and the shifting of capital spending from the General Fund to the Sinking Fund
- Cost savings from efficiencies throughout the School District's operations, including health care and utilities

Bloomfield Hills Schools

Management's Discussion and Analysis (Continued)

- Increase in interest income on investments due to several rate increases from the Federal Reserve during the year
- Increase in foundation allowance revenue due to an unanticipated increase in student enrollment
- Increase in fee-based services provided to others

Fund balance of the General Fund is available to fund costs related to allowable school operating purposes.

The Capital Improvements Fund had an increase in fund balance of approximately of \$1.1 million as a result of the increased investment earnings as well as collection of deferred receivables.

The Sinking Fund ended the year with expenditures greater than revenue of approximately \$768,000. This is a result of the School District intentionally incurring capital outlay expenditure accruals for projects which exceed the tax collections. Due to the favorable timing of tax receipts versus the construction draw schedule, the School District experienced positive cash flow in the Sinking Fund and avoided the unnecessary accumulation of fund balance in this fund.

The Cocurricular Endowment Fund had an increase in fund balance of approximately \$3.5 million as a result of a current year transfer, interest income, and other fund-raising. This fund serves as an endowment to sustain and enhance cocurricular programs in the future. The Permanent Fund is expected to grow this endowment through major fund-raising activities.

The other nonmajor funds showed a decrease in fund balance of approximately \$921,000. Included are the Special Revenue Funds, which remained stable from the prior year. Other components of the other nonmajor funds are discussed below.

Combined, the Debt Service Funds showed a fund balance decrease of approximately \$913,000. Bonds were refunded with a transaction structure that utilized available Debt Service Fund balance.

In addition, the Food Service Fund had a decline in fund balance of \$44,000 due to the budgeted results of operations. The combined nonmajor Capital Projects Funds fund balance increased by \$36,000 from interest earnings.

Debt service millage rates were not adjusted in the current year. Debt service millage rates are determined annually to ensure that the School District accumulates sufficient resources to pay annual bond issue-related debt service. Durant debt obligations are funded by annual State appropriation, and no fund balance exists at year end. Fund balances in Debt Service Funds are reserved since they can only be used to pay debt service obligations.

Bloomfield Hills Schools

Management's Discussion and Analysis (Continued)

General Fund Budgetary Highlights

Over the course of the year, the School District revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. State law requires that the budget be amended to ensure that expenditures do not exceed appropriations. The final amendment to the budget was adopted just before year end. A schedule showing the School District's original and final budget amounts compared with amounts actually paid and received is provided in required supplementary information to these financial statements.

There were significant revisions made to the 2005-2006 General Fund original budget. Budgeted revenues were increased \$2.8 million due to expected increases in federal grant revenues, interest income, higher student enrollment, fee-based revenue, and prior year adjustments to taxable values as the major reasons.

Budgeted expenditures were decreased \$0.8 million to account for additional savings from staff turnover.

There were no significant variances between the final budget and actual amounts.

Capital Assets and Debt Administration

Capital Assets

As of June 30, 2006, the School District had \$103.3 million invested in a broad range of capital assets, including land, buildings, vehicles, furniture, and equipment. This amount represents a net increase (including additions and disposals) of approximately \$7.8 million, or 8.1 percent, from last year.

	2006	2005
Land	\$ 1,907,626	\$ 1,907,626
Construction in progress	1,207,512	2,742,465
Site improvements	8,281,096	6,571,086
Buildings and building improvements	80,004,362	73,136,087
Buses and other vehicles	5,601,888	5,542,543
Furniture and equipment	6,330,405	5,651,637
Total capital assets	<u>\$ 103,332,889</u>	<u>\$ 95,551,444</u>

This year's net additions of \$7.8 million included building and site improvements, vehicles, equipment, and technology. No debt was issued for these additions.

Bloomfield Hills Schools

Management's Discussion and Analysis (Continued)

There are capital projects planned for the 2006-2007 fiscal year. We anticipate capital additions will be similar to the 2005-2006 fiscal year. We present more detailed information about our capital assets in the notes to the financial statements.

Debt

At the end of this year, the School District had \$19.2 million in general obligation bonds outstanding versus \$21.8 million in the previous year - a change of 1 percent. Those bonds consisted of the following:

	2006	2005
General Obligation Bonds	<u>\$ 19,160,000</u>	<u>\$ 21,810,000</u>

The School District's general obligation bond rating continues to be a natural AAA, and this rating was affirmed by Moody's in December 2005. The State limits the amount of general obligation debt that schools can issue to 15 percent of the assessed value of all taxable property within the School District's boundaries. If the School District issues "qualified debt," i.e., debt backed by the State of Michigan, such obligations are not subject to this debt limit. The School District's outstanding unqualified general obligation debt of \$19.2 million is significantly below this \$533.6 million statutorily imposed limit.

Other obligations include accrued vacation pay and accrued termination payments. We present more detailed information about our long-term liabilities in the notes to the financial statements.

Economic Factors and Next Year's Budgets and Rates

Our elected officials and administration considered many factors when setting the School District's 2006-2007 fiscal year budget. One of the most important factors affecting the budget is our student count. The State foundation revenue is determined by multiplying the blended student count by the foundation allowance per pupil. The blended count for the 2006-2007 fiscal year is 25 percent and 75 percent of the February 2006 and September 2006 student counts, respectively. The 2006-2007 budget was adopted in June 2006, based on an estimate of students expected to be enrolled in September 2006. Approximately 80 percent of total General Fund revenue is from the foundation allowance. Under State law, the School District cannot assess additional property tax revenue for general operations. As a result, School District funding is heavily dependent on the State's ability to fund local school operations. Based on early enrollment data at the start of the 2006-2007 school year, we anticipate that the fall student count will be close to the estimates used in creating the 2006-2007 budget. Once the final student count and related per pupil funding are validated, State law requires the School District to amend the budget if actual School District resources are not sufficient to fund original appropriations.

Bloomfield Hills Schools

Management's Discussion and Analysis (Continued)

Since the School District's revenue is heavily dependent on State funding and the health of the State's School Aid Fund, the actual revenue received depends on the State's ability to collect revenues to fund its appropriation to school districts. The State periodically holds a revenue-estimating conference to develop a consensus regarding expected revenue amounts. Based on the results of the most recent conference, the State estimates that funds will be sufficient to fund the appropriation. However, if actual State revenues are less than the estimates, reductions to per pupil funding may be necessary.

Contacting the School District's Financial Management

The financial report is designed to provide the School District's citizens, parents, and investors with a general overview of the School District's finances and to demonstrate the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Services Department at 4175 Andover Road, Bloomfield Hills, Michigan 48302.

Bloomfield Hills Schools

Statement of Net Assets June 30, 2006

	Governmental Activities
<hr/>	
Assets	
Cash and investments (Note 3)	\$ 54,442,779
Receivables:	
Accounts	6,105,936
Due from other governmental units	8,581,497
Interest	196,444
Inventories	178,219
Prepaid costs	735,957
Capital assets - Net (Note 5)	<u>63,941,662</u>
Total assets	134,182,494
Liabilities	
Accounts payable	2,139,554
Accrued payroll and other liabilities	8,344,613
Deferred revenue (Note 4)	972,832
Long-term liabilities (Note 7):	
Bonds payable, due within one year	1,854,118
Other obligations, due within one year	3,330,426
Bonds payable, due in more than one year	19,159,130
Other obligations, due in more than one year	<u>5,326,393</u>
Total liabilities	<u>41,127,066</u>
Net Assets	
Invested in capital assets - Net of related debt	42,778,894
Restricted:	
Debt service	208,047
Endowment fund	12,798,951
Unrestricted	<u>37,269,536</u>
Total net assets	<u><u>\$ 93,055,428</u></u>

Bloomfield Hills Schools

Statement of Activities Year Ended June 30, 2006

	Program Revenues			Governmental
				Activities
	Expenses	Charges for Services	Operating Grants/ Contributions	Net (Expense) Revenue and Changes in Net Assets
Functions/Programs				
Primary government - Governmental activities:				
Instruction	\$ 51,608,705	\$ 3,382,644	\$ 9,401,645	\$ (38,824,416)
Support services	37,415,211	2,449,500	6,808,087	(28,157,624)
Food services	2,200,202	1,735,517	292,851	(171,834)
Athletics/Pupil activities	2,166,026	128,514	-	(2,037,512)
Community services	2,930,400	3,353,438	-	423,038
Interest on long-term debt	1,856,940	-	-	(1,856,940)
Depreciation (unallocated)	2,291,557	-	-	(2,291,557)
Total primary government - Governmental activities	<u>\$ 100,469,041</u>	<u>\$ 11,049,613</u>	<u>\$ 16,502,583</u>	(72,916,845)
General revenues:				
Taxes:				
Property taxes, levied for general purposes				34,223,143
Property taxes, levied for debt service				2,380,580
Property taxes, levied for sinking fund				5,288,092
State aid not restricted to specific purposes				38,506,189
Interest and investment earnings				2,545,124
Other local				<u>3,282,242</u>
Total general revenues				<u>86,225,370</u>
Change in Net Assets				13,308,525
Net Assets - Beginning of year				<u>79,746,903</u>
Net Assets - End of year				<u>\$ 93,055,428</u>

Bloomfield Hills Schools

Governmental Funds Balance Sheet June 30, 2006

	General Fund	Capital Improvements Fund	Sinking Fund	Cocurricular Endowment Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
Assets						
Cash and investments (Note 3)	\$ 29,462,406	\$ 8,491,241	\$ 28,655	\$ 9,696,103	\$ 1,159,025	\$ 48,837,430
Receivables:						
Accounts	125,547	5,980,389	-	-	-	6,105,936
Due from other governmental units	8,513,190	36,714	-	-	31,593	8,581,497
Interest	59,530	29,383	109	102,848	4,574	196,444
Due from other funds (Note 6)	647,979	448,752	-	3,000,000	203,800	4,300,531
Inventories	-	-	-	-	178,219	178,219
Prepaid costs	475,251	-	-	-	1,294	476,545
Total assets	<u>\$ 39,283,903</u>	<u>\$ 14,986,479</u>	<u>\$ 28,764</u>	<u>\$ 12,798,951</u>	<u>\$ 1,578,505</u>	<u>\$ 68,676,602</u>
Liabilities and Fund Balances						
Liabilities						
Accounts payable	\$ 1,268,495	\$ 15,735	\$ 772,418	\$ -	\$ 92,818	\$ 2,149,466
Accrued payroll and other liabilities	8,089,792	-	-	-	105,301	8,195,093
Due to other funds (Note 6)	3,652,552	-	421,998	-	17,727	4,092,277
Deferred revenue (Note 4)	902,280	5,980,389	-	-	70,552	6,953,221
Total liabilities	13,913,119	5,996,124	1,194,416	-	286,398	21,390,057
Fund Balances						
Reserved:						
Encumbrances	361,813	-	-	-	10,873	372,686
Inventories	-	-	-	-	178,219	178,219
Sinking fund	-	-	(1,165,652)	-	-	(1,165,652)
Debt service	-	-	-	-	208,047	208,047
Endowment fund	-	-	-	12,798,951	-	12,798,951
Prepaid costs	475,251	-	-	-	1,294	476,545
Unreserved:						
Designated for program carryover	790,533	-	-	-	-	790,533
Designated for center programs	2,322,058	-	-	-	-	2,322,058
Designated for International Academy	493,652	-	-	-	-	493,652
Designated for community recreation	1,368,140	-	-	-	-	1,368,140
Designated for food service	282,095	-	-	-	(57,781)	224,314
Designated for revenue stabilization	6,010,623	-	-	-	-	6,010,623
Designated for capital projects	-	8,990,355	-	-	951,455	9,941,810
Undesignated, reported in						
General Fund	13,266,619	-	-	-	-	13,266,619
Total fund balances	<u>25,370,784</u>	<u>8,990,355</u>	<u>(1,165,652)</u>	<u>12,798,951</u>	<u>1,292,107</u>	<u>47,286,545</u>
Total liabilities and fund balances	<u>\$ 39,283,903</u>	<u>\$ 14,986,479</u>	<u>\$ 28,764</u>	<u>\$ 12,798,951</u>	<u>\$ 1,578,505</u>	<u>\$ 68,676,602</u>

Bloomfield Hills Schools

Governmental Funds Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets June 30, 2006

Fund Balance - Total Governmental Funds **\$ 47,286,545**

Amounts reported for governmental activities in the statement
of net assets are different because:

Capital assets used in governmental activities are not
financial resources and are not reported in the
governmental funds:

Capital assets	\$ 103,332,889	
Accumulated depreciation	<u>(39,391,227)</u>	63,941,662

Other assets not available to pay current period
expenditures, therefore deferred in the
governmental funds 5,980,389

Long-term liabilities are not due and payable in the
current period and are not reported in the
governmental funds:

Bonds payable		(21,013,248)
Severance-related liabilities		(3,290,400)

Accrued interest payable is not included as a liability
in governmental funds (149,520)

Internal Service Fund assets and liabilities are included
in governmental activities in the statement of
net assets 300,000

Net Assets - Governmental Activities **\$ 93,055,428**

Bloomfield Hills Schools

Governmental Funds Statement of Revenue, Expenditures, and Changes in Fund Balances (Deficit) Year Ended June 30, 2006

	General Fund	Capital Improvements Fund	Sinking Fund	Cocurricular Endowment Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
Revenue						
Local sources	\$ 40,658,371	\$ 781,096	\$ 5,303,442	\$ 449,211	\$ 5,736,279	\$ 52,928,399
State sources	42,056,039	-	-	-	289,712	42,345,751
Federal sources	2,080,133	-	-	-	223,545	2,303,678
Interdistrict sources	15,491,846	-	-	-	-	15,491,846
Total revenue	100,286,389	781,096	5,303,442	449,211	6,249,536	113,069,674
Expenditures						
Current:						
Instruction	52,634,596	-	-	-	-	52,634,596
Support services	37,452,701	-	-	-	-	37,452,701
Community services	1,637,564	-	-	-	1,292,836	2,930,400
Food services	-	-	-	-	2,200,202	2,200,202
Athletics/Pupil activities	-	-	-	-	2,166,026	2,166,026
Debt service:						
Principal	-	-	-	-	1,161,925	1,161,925
Interest	-	-	-	-	918,241	918,241
Other	448,752	-	-	-	738,816	1,187,568
Capital outlay	770,991	1,072	6,071,061	-	-	6,843,124
Total expenditures	92,944,604	1,072	6,071,061	-	8,478,046	107,494,783
Excess (Deficiency) of Revenue Over Expenditures	7,341,785	780,024	(767,619)	449,211	(2,228,510)	5,574,891
Other Financing Sources (Uses)						
Payment to bond escrow agent	-	-	-	-	(19,665,002)	(19,665,002)
Proceeds from bond refunding	-	-	-	-	18,025,000	18,025,000
Premium from bond refunding	-	-	-	-	909,721	909,721
Transfers in (Note 6)	-	313,864	-	3,000,000	2,037,512	5,351,376
Transfers out (Note 6)	(5,351,376)	-	-	-	-	(5,351,376)
Total other financing sources (uses)	(5,351,376)	313,864	-	3,000,000	1,307,231	(730,281)
Net Change in Fund Balances	1,990,409	1,093,888	(767,619)	3,449,211	(921,279)	4,844,610
Fund Balances (Deficit) -						
Beginning of year	23,380,375	7,896,467	(398,033)	9,349,740	2,213,386	42,441,935
Fund Balances (Deficit) -						
End of year	<u>\$ 25,370,784</u>	<u>\$ 8,990,355</u>	<u>\$ (1,165,652)</u>	<u>\$ 12,798,951</u>	<u>\$ 1,292,107</u>	<u>\$ 47,286,545</u>

Bloomfield Hills Schools

Governmental Funds Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances (Deficit) of Governmental Funds to the Statement of Activities Year Ended June 30, 2006

Net Change in Fund Balances - Total Governmental Funds \$ 4,844,610

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlay as expenditures; in the statement of activities, certain costs are allocated over their estimated useful lives as depreciation:

Depreciation expense	\$ (2,291,557)	
Capitalized capital outlay	<u>7,781,445</u>	5,489,888

Revenue is reported in the statement of activities that does not provide current financial resources and is not reported as revenue in the governmental funds	(201,869)
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Interest expense is recorded in the statement of activities when incurred; it is not reported in governmental funds until paid	248,869
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Bond issuance is not reported as financing sources on the statement of activities (where it increases long-term debt)	(18,025,000)
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Repayment of bond principal is an expenditure in the governmental funds, but not in the statement of activities (where it reduces long-term debt)	20,826,927
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Severance liabilities are recorded when earned in the statement of activities. In the current year, more was paid out than was earned	<u>125,100</u>
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Change in Net Assets of Governmental Activities **\$13,308,525**

Bloomfield Hills Schools

Proprietary Fund - Internal Service Fund Statement of Net Assets June 30, 2006

Assets

Cash and investments (Note 3)	\$ 5,605,349
Prepaid costs	<u>259,412</u>
Total assets	5,864,761

Liabilities

Current liabilities:

Accounts payable	42,825
Due to other funds (Note 6)	155,517
Employee compensated absences (Note 7)	70,000
Risk liabilities (self-insurance) (Notes 7 and 8)	1,004,660
Provision for uninsured losses and liabilities (Note 8)	<u>1,956,864</u>

Total current liabilities	3,229,866
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Long-term liabilities:

Employee compensated absences (Note 7)	1,985,823
Provision for uninsured losses and liabilities (Note 8)	<u>349,072</u>

Total long-term liabilities	<u>2,334,895</u>
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Total liabilities	<u>5,564,761</u>
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Total Unrestricted Net Assets	<u><u>\$ 300,000</u></u>
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Bloomfield Hills Schools

Proprietary Fund - Internal Service Fund Statement of Revenues, Expenses, and Changes in Fund Net Assets Year Ended June 30, 2006

Operating Revenues - Charges to other funds	\$ 9,565,735
Operating Expenses	<u>(9,565,735)</u>
Operating Income	-
Nonoperating Revenue (Expenses)	<u>-</u>
Change in Net Assets	-
Net Assets - Beginning of year	<u>300,000</u>
Net Assets - End of year	<u><u>\$ 300,000</u></u>

Bloomfield Hills Schools

Proprietary Fund - Internal Service Fund Statement of Cash Flows Year Ended June 30, 2006

Cash Flows from Operating Activities

Receipts from General Fund	\$ 9,887,832
Claims paid	<u>(9,772,378)</u>

Net Increase in Cash and Cash Equivalents 115,454

Cash and Cash Equivalents - Beginning of year 5,489,895

Cash and Cash Equivalents - End of year \$ 5,605,349

Reconciliation of operating income to net cash from operating activities:

Operating income	\$ -
Adjustments to reconcile operating income to net cash from operating activities - Changes in assets and liabilities:	
Increase in prepaid costs	322,097
Decrease in accounts payable	(112,018)
Decrease in due to other funds	(441,353)
Increase in employee compensated absences	50,396
Increase in risk liabilities (self-insurance)	96,781
Increase in provision for uninsured losses and liabilities	<u>199,551</u>

Net cash used in operating activities \$ 115,454

Bloomfield Hills Schools

Fiduciary Fund Statement of Fiduciary Net Assets June 30, 2006

	Private Purpose Trust	Student Activities Agency Fund
Assets		
Cash and investments (Note 3)	\$ 86,209	\$ 1,503,954
Accounts and interest receivable	2,970	6,368
Total assets	89,179	<u>\$ 1,510,322</u>
Liabilities		
Accounts payable	2,685	\$ 25,475
Due to other funds (Note 6)	-	52,737
Due to student groups	-	1,432,110
Total liabilities	2,685	<u>\$ 1,510,322</u>
Net Assets - Reserved for scholarships	<u>\$ 86,494</u>	

Bloomfield Hills Schools

Fiduciary Fund Statement of Changes in Fiduciary Net Assets Year Ended June 30, 2006

	Private Purpose Trust
Additions	
Private donations	\$ 4,970
Interest	<u>2,760</u>
Total additions	7,730
Deductions - Scholarships awarded	<u>5,713</u>
Operating Income	2,017
Nonoperating Revenue	<u>-</u>
Change in Net Assets	2,017
Net Assets - Beginning of year	<u>84,477</u>
Net Assets - End of year	<u><u>\$ 86,494</u></u>

Note I - Summary of Significant Accounting Policies

The accounting policies of Bloomfield Hills Schools (the "School District") conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the significant accounting policies used by the School District:

Reporting Entity

The School District is governed by an elected seven-member Board of Education. The accompanying financial statements have been prepared in accordance with criteria established by the Governmental Accounting Standards Board for determining the various governmental organizations to be included in the reporting entity. These criteria include significant operational financial relationships that determine which of the governmental organizations are a part of the School District's reporting entity, and which organizations are legally separate, component units of the School District. Based on the application of the criteria, the School District does not contain any component units.

District-wide and Fund Financial Statements

The district-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. All of the School District's district-wide activities are considered governmental activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenue includes (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes, intergovernmental payments, and other items not properly included among program revenues are reported instead as general revenue.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the district-wide financial statements.

Note I - Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

District-wide Statements - The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants, categorical aid, and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

As a general rule, the effect of interfund activity has been eliminated from the district-wide financial statements.

Amounts reported as program revenue include (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions. Internally dedicated resources are reported as general revenue rather than as program revenue. Likewise, general revenue includes all taxes and unrestricted state aid.

Fund Financial Statements - Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due in the governmental funds.

Property taxes, unrestricted state aid, intergovernmental grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be available only when cash is received by the School District.

Note I - Summary of Significant Accounting Policies (Continued)

Proprietary fund and fiduciary fund statements are also reported using the economic resources measurement focus and the accrual basis of accounting. Proprietary funds distinguish operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses. The only proprietary fund maintained is an Internal Service Fund that is used to account for the financing of risk management services provided to other funds on a cost-reimbursement basis. The Internal Service Fund maintained by the School District is the Self-Insurance Fund, which includes transactions related to the School District's risk management programs for medical, dental, and workers' compensation claims as well as compensated absences and severance-related liabilities.

The School District reports the following major governmental funds:

General Fund - The General Fund is the School District's primary operating fund. It accounts for all financial resources of the School District, except those required to be accounted for in another fund.

Capital Improvements Fund - The Capital Improvements Fund is used to record revenue and the disbursement of monies specifically designated for acquiring new school sites, buildings, equipment, and for remodeling and repairs. The fund operates until the purpose for which it was created is accomplished.

Sinking Fund - The Sinking Fund reports capital project activities funded with Sinking Fund Millage. For this fund, the School District has complied with the provisions of Sec. 1212(1) of the State of Michigan School Code.

Cocurricular Endowment Fund - The School District's Permanent Fund is the Cocurricular Endowment Fund and is a governmental fund type. This fund is funded by School District contributions and fund-raising activities. The monies of the fund are restricted to the extent that only earnings, and not principal, may be used for sustaining and enhancing the School District's cocurricular programs.

Additionally, the School District reports the following fund types:

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditure for specified purposes.

Note 1 - Summary of Significant Accounting Policies (Continued)

The Special Revenue Funds consist of Food Services, Cocurricular, and Community Services Funds. The Food Services Fund is financed by sales of school lunches to students and from the Federal School Lunch Program. The Cocurricular Fund is financed by gate receipts and donations and is supported by the General Fund. The Community Services Fund is primarily supported by fees generated by the program. The School District maintains full control of these funds. Any operating deficit generated by these activities is transferred from the General Fund.

Debt Service Funds - Debt Service Funds are used to record tax and interest revenue and the payment of interest, principal, and other expenditures on long-term debt.

Capital Projects Funds - Capital Projects Funds are used to record bond proceeds or other revenue and the disbursement of monies specifically designated for acquiring new school sites, buildings, equipment, and for major remodeling and repairs. The funds are retained until the purpose for which each fund was created has been accomplished. The nonmajor Capital Projects Funds maintained by the School District are the Original, Vaughn/Deskin, and Farm/Nature Center Funds.

Internal Service Fund - The School District's Proprietary Fund is the Internal Service Fund. The purpose of the fund is to finance services provided to other funds of the School District on a cost-reimbursement basis. The Internal Service Fund maintained by the School District accounts for medical coverage, workers' compensation, accrued vacation pay, and termination pay. It is funded through transfers primarily from the General Fund in amounts equal to normal estimated risk management and compensated absence claims.

Student Activities Agency Fund - The School District maintains an Agency Fund to record the transactions of student groups for school and school-related purposes. The funds are segregated and held in trust for the students.

Private Purpose Trust Fund - The Private Purpose Trust Fund is used to account for resources legally held in trust, including contributions received by the School District to be awarded in the form of scholarships.

Note 1 - Summary of Significant Accounting Policies (Continued)

Assets, Liabilities, and Net Assets or Equity

Cash and Investments - Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value.

Receivables and Payables - In general, outstanding balances between funds are reported as "due to/from other funds." Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "advances to/from other funds."

Property tax and other trade receivables are shown net of an allowance for uncollectible amounts. The School District considers all accounts receivable to be fully collectible; accordingly, no allowance for uncollectible amounts is recorded. Property taxes are assessed as of December 31 and the related property taxes are levied and become a lien on July 1 of the following year. Approximately 50 percent of the taxes are due September 14 and December 1, while the remainder of the property taxes is due on February 14. The final collection date is February 28, after which they are added to the county tax rolls.

Inventories and Prepaid Costs - Food service inventories are valued at cost, on a first-in, first-out basis, which approximates market value. The Food Services Fund inventories consist of food, commodities, and paper goods. Inventory costs are recorded as expenditures at the time the inventory is used.

Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid costs in both district-wide and fund financial statements.

Capital Assets - Capital assets, which include land, buildings, equipment, and vehicles, are reported in the applicable governmental activities column in the district-wide financial statements. Capital assets are defined by the School District as assets with an initial individual cost of more than \$10,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Costs of normal repair and maintenance that do not add to the value or materially extend asset life are not capitalized. The School District does not have infrastructure-type assets.

Note 1 - Summary of Significant Accounting Policies (Continued)

Buildings, equipment, and vehicles are depreciated using the straight-line method over the following useful lives:

Buildings and building and site improvements	20-50 years
Buses and other vehicles	5-10 years
Furniture and other equipment	5-10 years

Compensated Absences - The liability recorded for compensated absences reported in the district-wide and propriety fund statements represents earned but unused accumulated vacation and sick benefits. Severance pay is reported in the district-wide statements. A liability for this amount is reported in governmental funds as it comes due for payment. The liability has been calculated using the vesting method, in which leave amounts for both employees who are currently eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included.

Long-term Obligations - In the district-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method.

Fund Equity - In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent management plans that are subject to change.

Comparative Data/Reclassifications - Comparative data is not included in the School District's basic financial statements.

Note 2 - Stewardship, Compliance, and Accountability

Budgetary Information - Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America and state law for the General and Special Revenue Funds. In addition, the School District formally adopted a single Debt Service Fund budget, which covers all the School District's Debt Service Funds by function for the fiscal year ended June 30, 2006. All annual appropriations lapse at fiscal year end.

Note 2 - Stewardship, Compliance, and Accountability (Continued)

The budget document presents information by fund and function. The legal level of budgetary control adopted by the governing body (i.e., the level at which expenditures may not legally exceed appropriations) is the function level. Management may amend the line item budgets, within the legally adopted level of control, without the board's approval. State law requires the School District to have its budget in place by July 1. Expenditures in excess of amounts budgeted are a violation of Michigan law. State law permits school districts to amend their budgets during the year. During the year, the budget was amended in a legally permissible manner. The School District increased budgeted amounts during the year to reflect actual activity based on student enrollment and operations.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the goods or services have not been received as of year end; the commitments will be reappropriated and honored during the subsequent year.

Sinking Fund Compliance - The Sinking Fund records capital project activities funded with Sinking Fund millage. For this Fund, the School District has complied with the applicable provisions of §1212(1) of the State of Michigan School Code. In June 2004, voters authorized a sinking fund millage of 1.5 mills for a period of 10 years, beginning in fiscal year 2005 and ending in fiscal year 2014.

Fund Deficits - The School District has an accumulated fund deficit of \$1,165,652 in the Sinking Fund at June 30, 2006. The School District planned to incur expenditures in excess of revenue in this fund for the year ended June 30, 2006 due to the timing of planned capital expenditures. The deficit will then be eliminated in future fiscal years using property tax collections.

Note 3 - Deposits and Investments

State statutes and the School District's investment policy authorize the School District to make deposits in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The School District is allowed to invest in U.S. Treasury or Agency obligations, U.S. government repurchase agreements, bankers' acceptances, commercial paper, mutual funds, and investment pools that are composed of authorized investment vehicles. The School District's deposits are in accordance with statutory authority.

Note 3 - Deposits and Investments (Continued)

The School District has designated seven banks for the deposit of its funds.

The School District's cash and investments are subject to several types of risk, which are examined in more detail below:

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. The School District's investment policy requires that financial institutions be evaluated and only those with an acceptable risk level are used for the School District's deposits for custodial credit risk. At year end, the School District's deposit balance of \$36,997,812 had \$36,397,812 of bank deposits (certificates of deposit, checking and savings accounts) that were uninsured and uncollateralized. The School District believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the School District evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

Custodial Credit Risk of Investments

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The School District's policy for custodial credit risk states that custodial credit risk will be minimized by limiting investments to the types of securities allowed by state law, and by pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisors with which the School District will do business using the criteria established in the investment policy. The following investment securities were uninsured and unregistered and held in the following manner:

<u>Investment Type</u>	<u>Carrying Value</u>	<u>How Held</u>
Mutual fund	\$ 5,595,878	Held by counterparty

Note 3 - Deposits and Investments (Continued)**Interest Rate Risk**

Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The School District's investment policy does not restrict investment maturities. The School District's policy minimizes interest rate risk by requiring the structuring of the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities in the open market; and investing operating funds primarily in shorter-term securities, liquid asset funds, money market mutual funds, or similar investment pools and limiting the average maturity in accordance with the School District's cash requirements.

Credit Risk

State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The School District's investment policy does not further limit its investment choices.

At year end, the maturities of investments and the credit quality ratings of debt securities (other than the U.S. government) are as follows:

Investment	Fair Value	Maturities	Rating	Rating Organization
Bank investment pool - Comerica	\$ 4,537,458	N/A	A1/PI	S&P/Moody's
Bank investment pool - MBIA Asset Management	5,886,036	N/A	Not rated	N/A
Michigan Liquid Asset Fund	4,558,898	N/A	AAAm	S&P
LaSalle Bank Public Funds Investment Trust	5,595,878	N/A	Aaa	Moody's
Total investments	<u>\$ 20,578,270</u>			

Concentration of Credit Risk

The School District places no limit on the amount the School District may invest in any one issuer. The School District's policy minimizes concentration of credit risk by requiring diversification of the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized.

Bloomfield Hills Schools

Notes to Financial Statements June 30, 2006

Note 3 - Deposits and Investments (Continued)

Foreign Currency Risk

Foreign currency risk is the risk that an investment denominated in the currency of a foreign country could reduce its U.S. dollar value as a result of changes in foreign currency exchange rates. State law and the School District's policy prohibit investment in foreign currency.

Note 4 - Deferred Revenue

Governmental funds report deferred revenue in connection with receivables for revenue that is not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned, which is also deferred within the district-wide statements. At June 30, 2006, the various components of deferred revenue are as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Deferred property taxes	\$ -	\$ 421,709
Grant, categorical aid, and other payments prior to meeting all eligibility requirements	-	113,931
Noncurrent receivable	5,980,389	-
Advance tuition payments received	<u>-</u>	<u>437,192</u>
Total	<u>\$ 5,980,389</u>	<u>\$ 972,832</u>

Bloomfield Hills Schools

Notes to Financial Statements June 30, 2006

Note 5 - Capital Assets

Capital asset activity of the School District's governmental activities was as follows:

	Balance July 1, 2005	Additions	Transfers and Adjustments	Balance June 30, 2006
Capital assets not being depreciated:				
Land	\$ 1,907,626	\$ -	\$ -	\$ 1,907,626
Construction in progress	2,742,465	1,207,512	(2,742,465)	1,207,512
Total capital assets not being depreciated	4,650,091	1,207,512	(2,742,465)	3,115,138
Capital assets being depreciated:				
Site improvements	6,571,086	552,903	337,915	7,461,904
Building and building improvements	73,136,087	5,282,917	2,404,550	80,823,554
Furniture and equipment	5,651,637	678,768	-	6,330,405
Buses and other vehicles	5,542,543	59,345	-	5,601,888
Subtotal	90,901,353	6,573,933	2,742,465	100,217,751
Accumulated depreciation:				
Site improvements	4,783,208	200,863	-	4,984,071
Building and building improvements	25,802,769	1,350,067	-	27,152,836
Furniture and equipment	2,211,960	451,942	-	2,663,902
Buses and other vehicles	4,301,733	288,685	-	4,590,418
Subtotal	37,099,670	2,291,557	-	39,391,227
Net capital assets being depreciated	53,801,683	4,282,376	2,742,465	60,826,524
Net governmental capital assets	\$ 58,451,774	\$ 5,489,888	\$ -	\$ 63,941,662

Depreciation expense was not charged to activities as the School District considers its assets to impact multiple activities and allocation is not practical.

Construction Commitments - As of year end, the School District spent \$1,419,312 with contractors on various construction projects that were still in progress. The remaining commitment related to these projects is \$3,645,889.

Bloomfield Hills Schools

Notes to Financial Statements June 30, 2006

Note 6 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances is as follows:

Fund Due To	Fund Due From					Total
	General Fund	Sinking Fund	Nonmajor Governmental Funds	Internal Service Fund	Trust and Agency Fund	
General Fund	\$ -	\$ 421,998	\$ 17,727	\$ 155,517	\$ 52,737	\$ 647,979
Capital Improvements Fund	448,752	-	-	-	-	448,752
Cocurricular						
Endowment Fund	3,000,000	-	-	-	-	3,000,000
Nonmajor governmental funds	203,800	-	-	-	-	203,800
Total	<u>\$ 3,652,552</u>	<u>\$ 421,998</u>	<u>\$ 17,727</u>	<u>\$ 155,517</u>	<u>\$ 52,737</u>	<u>\$ 4,300,531</u>

Interfund balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. These balances are expected to be repaid within one year.

Interfund Transfers

	Transfers Out - General Fund
Transfers in:	
Capital Improvements Fund	\$ 313,864
Cocurricular Endowment Fund	3,000,000
Nonmajor governmental funds	<u>2,037,512</u>
Total	<u>\$ 5,351,376</u>

General Fund transfers out primarily consist of a contribution to the Permanent Fund and a subsidy for the Cocurricular Fund.

Bloomfield Hills Schools

Notes to Financial Statements June 30, 2006

Note 7 - Long-term Debt

The School District issues bonds, notes, and other contractual commitments to provide for the acquisition and construction of major capital facilities and the acquisition of certain equipment. General obligation bonds are direct obligations and pledge the full faith and credit of the School District. Notes and installment purchase agreements are also general obligations of the School District. Other long-term obligations include compensated absences, claims and judgments, termination benefits, and certain risk liabilities.

Long-term obligation activity can be summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
Bonds	\$ 23,815,175	\$ 18,025,000	\$ 20,826,927	\$ 21,013,248	\$ 1,854,118
Other obligations:					
Compensated absences	2,005,427	202,296	151,900	2,055,823	70,000
Severance-related liabilities	3,415,500	99,000	224,100	3,290,400	299,000
Risk liabilities	3,014,264	7,533,067	7,236,735	3,310,596	2,961,426
Total other obligations	8,435,191	7,834,363	7,612,735	8,656,819	3,330,426
Total governmental activities	<u>\$ 32,250,366</u>	<u>\$ 25,859,363</u>	<u>\$ 28,439,662</u>	<u>\$ 29,670,067</u>	<u>\$ 5,184,544</u>

Annual debt service requirements to maturity for the above bond obligations are as follows:

Years Ending June 30	Governmental Activities		
	Principal	Interest	Total
2007	\$ 1,854,118	\$ 896,128	\$ 2,750,246
2008	2,498,582	1,068,715	3,567,297
2009	2,084,676	739,835	2,824,511
2010	2,237,984	664,668	2,902,652
2011	2,396,700	584,031	2,980,731
2012-2015	9,941,188	1,160,720	11,101,908
Total	<u>\$ 21,013,248</u>	<u>\$ 5,114,097</u>	<u>\$ 26,127,345</u>

Bloomfield Hills Schools

Notes to Financial Statements June 30, 2006

Note 7 - Long-term Debt (Continued)

Governmental Activities

General obligation bonds consist of the following:

\$27,280,000, 1997 serial bonds due May 1, 2007; interest at 4.65%	\$ 1,135,000
\$9,395,000, 2005 serial refunding bonds due in annual installments of \$500,000 to \$2,635,000 through May 1, 2015; interest at 3.50% to 5.00%	9,395,000
\$8,630,000, 2006 serial refunding bonds due in annual installments of \$60,000 to \$1,795,000 through May 1, 2013; interest at 3.50% to 5.00%	<u>8,630,000</u>
Total	<u>\$ 19,160,000</u>

Durant Non-Plaintiff Bond - Included in governmental activities general obligation bonds is the Durant Non-Plaintiff Bond. Annual total payments (principal and interest) associated with this bond are funded by the State of Michigan via specifically appropriated state aid and will not require any School District debt levy or utilization of any other School District financial resources. The Durant Non-Plaintiff Bond is comprised of the following issue:

\$3,138,641 serial bonds due in annual installments of \$159,118 to \$733,584 through May 15, 2013; interest at 4.76%	<u>\$ 1,853,248</u>
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Advance and Current Refundings - During the year, the School District issued \$18,025,000 in general obligation bonds with an average interest rate of 4.03 percent. The proceeds of these bonds, along with a premium from the issuance of these bonds of \$911,756, were used to advance refund \$19,665,000 of principal and interest relating to the School District's 1997 serial bonds with an average interest rate of 5.06 percent. The net proceeds of \$20,241,848 (after payment of \$165,873 in underwriting fees, insurance, and other issuance costs) plus an additional \$1,473,000 of the School District's debt fund monies were used to purchase U.S. government securities and were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the original bonds. As a result, the portion of the bonds that are considered to be defeased and the liability for the bonds have been removed from the School District's long-term obligations. The advance refunding reduced total debt service payments by \$4,876,190, which represents an economic gain of \$3,403,190.

Note 8 - Risk Management

The School District is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The School District participates in the Michigan Association for Improved School Legislation (MAISL) risk pool for claims relating to property loss and torts. The School District has purchased commercial insurance for errors and omissions. The School District is self-insured for workers' compensation and employee medical, dental, and vision claims. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

The shared-risk pool program in which the School District participates operates as a common risk-sharing management program for school districts in Michigan; member premiums are used to purchase commercial excess insurance coverage and to pay member claims in excess of deductible amounts. There has not been any significant reduction in insurance coverage from the prior year.

For risk retention situations, the School District estimates the liability for workers' compensation and employee medical, dental, and vision claims that have been incurred through the end of the fiscal year, including both those claims that have been reported as well as those that have not yet been reported. These estimates are recorded in the district-wide statements. Changes in the estimated liability for the past two fiscal years were as follows:

	<u>2006</u>	<u>2005</u>
Estimated liability - Beginning of year	\$ 589,356	\$ 850,112
Estimated claims incurred - Including changes in estimates	492,292	73,971
Claim payments	<u>(292,841)</u>	<u>(334,727)</u>
Estimated liability - End of year	<u>\$ 788,807</u>	<u>\$ 589,356</u>

Bloomfield Hills Schools

Notes to Financial Statements June 30, 2006

Note 8 - Risk Management (Continued)

Changes in the employee medical benefits, dental, and vision claim estimated liabilities for the past two fiscal years are as follows:

	2006	2005
Estimated liability - Beginning of year	\$ 2,425,008	\$ 2,466,671
Estimated claims incurred - Including changes in estimates	7,040,675	7,273,756
Claim payments	(6,943,894)	(7,315,419)
Estimated liability - End of year	<u>\$ 2,521,789</u>	<u>\$ 2,425,008</u>

Note 9 - Defined Benefit Pension Plan and Postemployment Benefits

Plan Description - The School District participates in the Michigan Public School Employees' Retirement System (MPERS), a statewide, cost-sharing, multiple-employer defined benefit public employee retirement system governed by the State of Michigan that covers substantially all employees of the School District. The MPERS provides retirement, survivor, and disability benefits to plan members and their beneficiaries. The Michigan Public School Employees' Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the MPERS. That report may be obtained by writing to the MPERS at P.O. Box 30171, Lansing, MI 48909-7671.

Funding Policy - Employer contributions to the MPERS result from the implementing effects of the School Finance Reform Act. Under these procedures, each school district is required to contribute the full actuarial funding contribution amount to fund pension benefits, plus an additional amount to fund retiree health care benefit amounts on a cash disbursement basis.

The pension benefit rate totals 14.87 percent and 16.34 percent of the covered payroll to the plan for the periods from July 1, 2005 through September 30, 2005 and October 1, 2005 through June 30, 2006, respectively. Basic plan members make no contributions, but Member Investment Plan members contribute at rates ranging from 3 percent to 4.3 percent of gross wages. The School District's contributions to the MPERS plan for the years ended June 30, 2006, 2005, and 2004 were \$9,319,439, \$7,919,389, and \$6,996,084, respectively.

Note 9 - Defined Benefit Pension Plan and Postemployment Benefits (Continued)

Postemployment Benefits - Under the MPSERS Act, all retirees participating in the MPSERS pension plan have the option of continuing health, dental, and vision coverages. Retirees having these coverages contribute an amount equivalent to the monthly cost for Part B Medicare and 10 percent of the monthly premium amount for the health, dental, and vision coverages. Required contributions for post-employment health care benefits are included as part of the School District's total contribution to the MPSERS plan discussed above.

Required Supplementary Information

Bloomfield Hills Schools

Required Supplementary Information Budgetary Comparison Schedule - General Fund Year Ended June 30, 2006

	Original Budget	Final Budget	Actual	Over (Under) Budget
Revenue				
Local sources	\$ 39,162,808	\$ 40,826,282	\$ 40,658,371	\$ (167,911)
State sources	41,231,723	41,951,708	42,056,039	104,331
Federal sources	1,965,934	2,201,077	2,080,133	(120,944)
Interdistrict sources	15,076,048	15,275,661	15,491,846	216,185
Total revenue	97,436,513	100,254,728	100,286,389	31,661
Expenditures - Current				
Instruction:				
Basic programs	41,015,346	40,621,273	40,536,349	(84,924)
Special education	11,640,334	10,378,011	10,314,746	(63,265)
Added needs	822,304	1,845,163	1,783,501	(61,662)
Support services:				
Pupil	7,698,451	7,663,196	7,604,074	(59,122)
Instructional staff	5,126,187	5,316,451	5,116,790	(199,661)
School administration	5,341,946	5,112,250	5,125,575	13,325
General administration	794,230	822,181	815,454	(6,727)
Business services	1,070,195	973,582	961,455	(12,127)
Maintenance	11,387,045	10,866,529	10,850,019	(16,510)
Transportation	3,449,436	3,555,772	3,517,649	(38,123)
Central services	3,697,304	3,376,568	3,461,685	85,117
Facilities construction	395,240	1,209,230	1,219,743	10,513
Community services	1,737,246	1,682,622	1,637,564	(45,058)
Total expenditures	94,175,264	93,422,828	92,944,604	(478,224)
Other Financing Uses - Transfers out	<u>(2,416,383)</u>	<u>(5,429,638)</u>	<u>(5,351,376)</u>	<u>(78,262)</u>
Net Change in Fund Balance	844,866	1,402,262	1,990,409	588,147
Fund Balance - July 1, 2005	<u>20,375,461</u>	<u>23,380,375</u>	<u>23,380,375</u>	<u>-</u>
Fund Balance - June 30, 2006	<u>\$ 21,220,327</u>	<u>\$ 24,782,637</u>	<u>\$ 25,370,784</u>	<u>\$ 588,147</u>

Other Supplementary Information

Bloomfield Hills Schools

	Special Revenue Funds			Debt Service Fund
	Food Services	Cocurricular	Community Service	1997 Debt
Assets				
Cash and investments	\$ 250	\$ -	\$ 2,800	\$ 208,134
Receivables:				
Due from other governmental units	31,593	-	-	-
Interest	-	-	-	960
Due from other funds	-	67,984	135,816	-
Inventories	178,219	-	-	-
Prepaid costs	-	-	1,294	-
Total assets	<u>\$ 210,062</u>	<u>\$ 67,984</u>	<u>\$ 139,910</u>	<u>\$ 209,094</u>
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ 11,882	\$ 21,410	\$ 59,526	\$ -
Accrued payroll and other liabilities	19,560	46,574	39,167	-
Due to other funds	16,680	-	-	1,047
Deferred revenue	41,502	-	29,050	-
Total liabilities	89,624	67,984	127,743	1,047
Fund Balances				
Reserved:				
Encumbrances	-	-	10,873	-
Inventories	178,219	-	-	-
Debt service	-	-	-	208,047
Prepaid costs	-	-	1,294	-
Unreserved:				
Designated for capital projects	-	-	-	-
Undesignated, reported in Special Revenue Fund	(57,781)	-	-	-
Total fund balances	120,438	-	12,167	208,047
Total liabilities and fund balances	<u>\$ 210,062</u>	<u>\$ 67,984</u>	<u>\$ 139,910</u>	<u>\$ 209,094</u>

Other Supplementary Information
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2006

Capital Projects Funds			
Original Fund	Vaughn/ Deskin	Farm/Nature Center	Total
\$ 270,713	\$ 548,403	\$ 128,725	\$ 1,159,025
-	-	-	31,593
1,032	2,091	491	4,574
-	-	-	203,800
-	-	-	178,219
-	-	-	1,294
<u>\$ 271,745</u>	<u>\$ 550,494</u>	<u>\$ 129,216</u>	<u>\$ 1,578,505</u>
\$ -	\$ -	\$ -	\$ 92,818
-	-	-	105,301
-	-	-	17,727
-	-	-	70,552
-	-	-	286,398
-	-	-	10,873
-	-	-	178,219
-	-	-	208,047
-	-	-	1,294
271,745	550,494	129,216	951,455
-	-	-	(57,781)
<u>271,745</u>	<u>550,494</u>	<u>129,216</u>	<u>1,292,107</u>
<u>\$ 271,745</u>	<u>\$ 550,494</u>	<u>\$ 129,216</u>	<u>\$ 1,578,505</u>

Bloomfield Hills Schools

	Special Revenue Funds		Debt Service Fund
	Food Services	Cocurricular	Community Service 1997 Debt
Revenue			
Local	\$ 1,863,248	\$ 128,514	\$ 1,292,836
State	69,306	-	-
Federal	223,545	-	-
Total revenue	2,156,099	128,514	1,292,836
Expenditures			
Current:			
Community services	-	-	1,292,836
Food services	2,200,202	-	-
Athletics	-	2,166,026	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
Other	-	-	-
Total expenditures	2,200,202	2,166,026	1,292,836
Excess of Revenue Over (Under) Expenditures	(44,103)	(2,037,512)	-
Other Financing Sources (Uses)			
Payment to bond escrow agent	-	-	-
Proceeds from bond refunding	-	-	-
Premium from bond refunding	-	-	-
Transfers in	-	2,037,512	-
Total other financing sources (uses)	-	2,037,512	-
Net Change in Fund Balances	(44,103)	-	-
Fund Balances - Beginning of year	164,541	-	12,167
Fund Balances - End of year	<u>\$ 120,438</u>	<u>\$ -</u>	<u>\$ 12,167</u>
			<u>\$ 208,047</u>

Other Supplementary Information
Combining Statement of Revenue, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2006

Capital Projects Funds				
Original Fund	Vaughn/ Deskin	Farm/Nature Center	Total	
\$ 10,321	\$ 20,908	\$ 4,908	\$	5,736,279
-	-	-		289,712
-	-	-		223,545
10,321	20,908	4,908		6,249,536
-	-	-		1,292,836
-	-	-		2,200,202
-	-	-		2,166,026
-	-	-		1,161,925
-	-	-		918,241
-	-	-		738,816
-	-	-		8,478,046
10,321	20,908	4,908		(2,228,510)
-	-	-		(19,665,002)
-	-	-		18,025,000
-	-	-		909,721
-	-	-		2,037,512
-	-	-		1,307,231
10,321	20,908	4,908		(921,279)
261,424	529,586	124,308		2,213,386
<u>\$ 271,745</u>	<u>\$ 550,494</u>	<u>\$ 129,216</u>	<u>\$</u>	<u>1,292,107</u>

Bloomfield Hills Schools

	Food Services			Cocurricular Activities		
	Budget	Actual	Over (Under) Budget	Budget	Actual	Over (Under) Budget
Revenue						
Local sources:						
Admission and activity tickets	\$ -	\$ -	\$ -	\$ 111,377	\$ 128,514	\$ 17,137
Lunch sales	2,154,175	1,863,248	(290,927)	-	-	-
Community service fees and other	-	-	-	-	-	-
Total local sources	2,154,175	1,863,248	(290,927)	111,377	128,514	17,137
State sources - Restricted	69,306	69,306	-	-	-	-
Federal sources - Milk and lunch reimbursement	161,920	223,545	61,625	-	-	-
Other Financing Sources -						
Transfers in	-	-	-	2,107,647	2,037,512	(70,135)
Total revenue and other financing sources	2,385,401	2,156,099	(229,302)	2,219,024	2,166,026	(52,998)
Expenditures						
Salaries	846,581	765,578	(81,003)	1,390,395	1,340,302	(50,093)
Employee benefits	276,568	256,092	(20,476)	429,632	410,904	(18,728)
Purchased services	9,985	7,542	(2,443)	178,987	176,586	(2,401)
Supplies	1,240,107	1,129,529	(110,578)	155,421	145,178	(10,243)
Dues and other	42,160	41,461	(699)	64,589	93,056	28,467
Total expenditures	2,415,401	2,200,202	(215,199)	2,219,024	2,166,026	(52,998)
Net Change in Fund Balances	(30,000)	(44,103)	(14,103)	-	-	-
Fund Balances - July 1, 2005	164,541	164,541	-	-	-	-
Fund Balances - June 30, 2006	<u>\$ 134,541</u>	<u>\$ 120,438</u>	<u>\$ (14,103)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Other Supplementary Information
Budgetary Comparison Schedule - Special Revenue Funds
Year Ended June 30, 2006

Community Services			Total		
Budget	Actual	Over (Under) Budget	Budget	Actual	Over (Under) Budget
\$ -	\$ -	\$ -	\$ 111,377	\$ 128,514	\$ 17,137
-	-	-	2,154,175	1,863,248	(290,927)
<u>1,366,449</u>	<u>1,292,836</u>	<u>(73,613)</u>	<u>1,366,449</u>	<u>1,292,836</u>	<u>(73,613)</u>
1,366,449	1,292,836	(73,613)	3,632,001	3,284,598	(347,403)
-	-	-	69,306	69,306	-
-	-	-	161,920	223,545	61,625
<u>-</u>	<u>-</u>	<u>-</u>	<u>2,107,647</u>	<u>2,037,512</u>	<u>(70,135)</u>
1,366,449	1,292,836	(73,613)	5,970,874	5,614,961	(355,913)
532,994	528,512	(4,482)	2,769,970	2,634,392	(135,578)
177,127	163,474	(13,653)	883,327	830,470	(52,857)
584,378	530,121	(54,257)	773,350	714,249	(59,101)
53,620	45,542	(8,078)	1,449,148	1,320,249	(128,899)
<u>18,330</u>	<u>25,187</u>	<u>6,857</u>	<u>125,079</u>	<u>159,704</u>	<u>34,625</u>
<u>1,366,449</u>	<u>1,292,836</u>	<u>(73,613)</u>	<u>6,000,874</u>	<u>5,659,064</u>	<u>(341,810)</u>
-	-	-	(30,000)	(44,103)	(14,103)
<u>12,167</u>	<u>12,167</u>	<u>-</u>	<u>176,708</u>	<u>176,708</u>	<u>-</u>
<u><u>\$ 12,167</u></u>	<u><u>\$ 12,167</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 146,708</u></u>	<u><u>\$ 132,605</u></u>	<u><u>\$ (14,103)</u></u>

Bloomfield Hills Schools

Other Supplementary Information Budgetary Comparison Schedule - Debt Service Fund Year Ended June 30, 2006

	1997 Debt		
	Budget	Actual	Over (Under) Budget
Revenue			
Local sources:			
Property taxes	\$ 2,383,624	\$ 2,380,580	\$ (3,044)
Interest earnings	39,400	34,964	(4,436)
Total local sources	2,423,024	2,415,544	(7,480)
State sources	220,406	220,406	-
Total revenue	2,643,430	2,635,950	(7,480)
Expenditures			
Bond redemption	2,634,922	1,161,925	(1,472,997)
Bond interest	916,181	918,241	2,060
Fees	600	738,816	738,216
Total expenditures	3,551,703	2,818,982	(732,721)
Other Financing Sources (Uses)			
Payment to bond escrow agent	-	(19,665,002)	(19,665,002)
Proceeds from bond refunding	-	18,025,000	18,025,000
Premium from bond refunding	-	909,721	909,721
Total other financing sources (uses)	-	(730,281)	(730,281)
Net Change in Fund Balance	(908,273)	(913,313)	(5,040)
Fund Balance - July 1, 2005	1,121,360	1,121,360	-
Fund Balance - June 30, 2006	<u>\$ 213,087</u>	<u>\$ 208,047</u>	<u>\$ (5,040)</u>

Bloomfield Hills Schools

Schedule of Capital Assets by Building June 30, 2006

	Land and Improvements *	Building and Improvements *	Furniture and Equipment	Buses and Vehicles	Total
Elementary Schools					
Conant	\$ 294,972	\$ 4,660,752	\$ 94,779	\$ -	\$ 5,050,503
Eastover	139,938	4,391,938	81,930	-	4,613,806
Hickory Grove	129,935	4,539,467	93,505	-	4,762,907
Lone Pine	421,583	5,137,617	117,230	-	5,676,430
Pine Lake	142,675	3,468,813	120,819	-	3,732,307
Way	101,506	1,306,602	52,169	-	1,460,277
Middle Schools					
Bloomfield Hills	462,673	6,476,955	210,601	-	7,150,229
East Hills	324,329	9,088,247	179,067	-	9,591,643
West Hills	567,185	5,578,261	329,849	-	6,475,295
High Schools					
Andover	2,069,045	11,028,408	653,102	-	13,750,555
Lahser	1,836,010	11,030,193	393,560	-	13,259,763
International Academy	258,511	5,502,841	201,508	-	5,962,860
Other District Facilities					
Wing Lake Developmental Center	50,389	846,034	264,974	-	1,161,397
Fox Hills Center	101,240	1,137,000	10,562	23,150	1,271,952
Charles L. Bowers Farm	706,702	695,163	77,803	12,395	1,492,063
E.L. Johnson Nature Center	198,984	1,199,250	1,426	-	1,399,660
Booth Center	158,269	2,743,732	2,712,412	240,043	5,854,456
Board of Education Offices	173,095	137,000	93,643	145,813	549,551
Recreation	19,990	210,000	35,131	46,563	311,684
Maintenance	10,478	714,874	593,535	925,180	2,244,067
Transportation	1,876,213	111,215	12,800	4,208,744	6,208,972
Construction in progress	-	1,207,512	-	-	1,207,512
Vacant Property - Wabeek Site	<u>145,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>145,000</u>
Total	<u>\$ 10,188,722</u>	<u>\$ 81,211,874</u>	<u>\$ 6,330,405</u>	<u>\$ 5,601,888</u>	<u>\$ 103,332,889</u>

* Construction in progress as identified in Note 5 has been allocated to this category.

Bloomfield Hills Schools

Schedule of Capital Assets by Source Year Ended June 30, 2006

	Balance July 1, 2005	Additions and Adjustments	Disposals and Adjustments	Balance June 30, 2006
Investments in property acquired prior to June 30, 2002	\$ 80,803,391	\$ -	\$ -	\$ 80,803,391
Investment in property acquired after June 30, 2002:				
General Fund	3,667,591	795,185	-	4,462,776
Sinking Fund	4,497,459	9,728,725	(2,742,465)	11,483,719
Capital Projects Funds	6,583,003	-	-	6,583,003
Total	<u>\$ 95,551,444</u>	<u>\$ 10,523,910</u>	<u>\$ (2,742,465)</u>	<u>\$ 103,332,889</u>

Bloomfield Hills Schools

Schedule of Capital Assets by Type June 30, 2006

	Land and Improvements *	Building and Improvements *	Furniture and Equipment	Buses and Vehicles	Total
Investments in property acquired prior to June 30, 2002	\$ 7,546,583	\$ 64,721,487	\$ 3,946,567	\$ 4,588,754	\$ 80,803,391
Investment in property acquired after June 30, 2002:					
General Fund	763,885	1,687,644	998,113	1,013,134	4,462,776
Sinking Fund	1,291,238	9,486,799	705,682	-	11,483,719
Capital Projects Fund	<u>587,016</u>	<u>5,315,944</u>	<u>680,043</u>	<u>-</u>	<u>6,583,003</u>
Total	<u>\$ 10,188,722</u>	<u>\$ 81,211,874</u>	<u>\$ 6,330,405</u>	<u>\$ 5,601,888</u>	<u>\$103,332,889</u>

* Construction in progress as identified in Note 5 has been allocated to this category.

Bloomfield Hills Schools

Other Supplementary Information Schedule of Bonded Indebtedness June 30, 2006

Years Ending June 30	Durant Principal	1997 Debt Principal	2005 Refunding Principal	2006 Refunding Principal
2007	\$ 159,118	\$ 1,135,000	\$ 500,000	\$ 60,000
2008	733,582	-	500,000	1,265,000
2009	174,676	-	505,000	1,405,000
2010	182,984	-	535,000	1,520,000
2011	191,700	-	560,000	1,645,000
2012	200,814	-	595,000	1,795,000
2013	210,374	-	1,535,000	940,000
2014	-	-	2,635,000	-
2015	-	-	2,030,000	-
	<u>\$ 1,853,248</u>	<u>\$ 1,135,000</u>	<u>\$ 9,395,000</u>	<u>\$ 8,630,000</u>
Principal payments due	May 15	May 1	May 1	May 1
Interest payments due	May 15	May 1 and November 1	May 1 and November 1	May 1 and November 1
Interest rate	4.76%	4.65%	3.5% to 5.00 %	3.5% to 5.00 %
Original issue	<u>\$ 3,138,641</u>	<u>\$ 27,280,000</u>	<u>\$ 9,395,000</u>	<u>\$ 8,630,000</u>

Bloomfield Hills Schools

Schedule of Cash and Investments June 30, 2006

Fund	Type of Investment	Interest Rate (Percent)	Date of Maturity	Balance
General Fund	Checking accounts:			
	Comerica Bank	N/A	N/A	\$ 1,986,095
	LaSalle Bank	N/A	N/A	5,626,867
	Cash management funds:			
	MBIA	4.97	N/A	5,886,036
	Michigan Liquid Asset Fund	4.91	N/A	1,263,679
	Comerica Bank	4.65	N/A	4,534,126
	Savings accounts:			
	Chase Index Fund	4.76	N/A	5,670,439
	Comerica Max Fund	4.65	N/A	337,719
	Certificate of Deposit	4.83	07/10/06	2,058,768
	Certificate of Deposit	5.25	09/18/06	1,049,428
	Certificate of Deposit	5.20	09/12/06	1,046,134
	Petty cash	N/A	N/A	3,115
	Total General Fund			29,462,406
Debt Service Funds	Cash management fund - Comerica Bank	4.65	N/A	208,134
Special Revenue Funds	Petty cash	N/A	N/A	3,050
Capital Projects Funds	Cash management funds:			
	Comerica Bank	4.65	N/A	3,964,846
	Michigan Liquid Asset Fund	4.91	N/A	3,295,218
	Certificate of Deposit	4.90	07/31/06	2,207,673
	Total Capital Projects Funds			9,467,737
Cocurricular Endowment Fund	Certificate of Deposit	4.98	07/13/06	4,531,934
	Certificate of Deposit	5.18	07/18/06	5,164,169
Internal Service Funds	Cash management account - Comerica Max Fund	2.86	N/A	489,895
	Certificate of Deposit	5.10	08/18/06	5,115,454
	Total governmental activities cash equivalents and investments			\$ 54,442,779
Trust and Agency Funds	Checking account - Comerica Bank	N/A	N/A	\$ 741,290
	Cash management fund - Comerica Bank	2.83	N/A	26,762
	Certificates of Deposit	4.40	07/31/06	822,111
	Total Trust and Agency Funds cash equivalents and investments			\$ 1,590,163

**Statistical and Other Information
(Unaudited)**

Bloomfield Hills Schools

Net Assets - Governmental Activities

	June 30			
	2003	2004	2005	2006
Invested in capital assets - Net of related debt	\$ 27,646,093	\$ 30,510,011	\$ 34,238,213	\$ 42,778,894
Restricted	674,099	5,872,446	10,471,100	13,006,998
Unrestricted	<u>30,555,681</u>	<u>29,543,237</u>	<u>35,037,590</u>	<u>37,269,536</u>
Total primary government net assets	<u>\$ 58,875,873</u>	<u>\$ 65,925,694</u>	<u>\$ 79,746,903</u>	<u>\$ 93,055,428</u>

Source: Bloomfield Hills Schools audited financial reports

Note: 2002 and prior years not available. The School District implemented GASB No. 34 in the 2003 fiscal year.

Bloomfield Hills Schools

Changes in Governmental Net Assets

	2003	2004	2005	2006
Expenses - Governmental activities:				
Instruction	\$ 51,301,907	\$ 47,334,983	\$ 51,779,353	\$ 51,608,705
Support services	34,353,860	35,477,506	35,333,151	37,415,211
Food services	2,186,132	2,229,136	2,165,690	2,200,202
Athletics	1,941,617	1,932,411	2,153,740	2,166,026
Community services	2,374,259	3,135,682	3,197,421	2,930,400
Interest on long-term debt	1,308,246	1,180,818	1,240,151	1,856,943
Depreciation (unallocated)	2,395,134	2,218,828	2,411,782	2,291,557
Total expenses	95,861,155	93,509,364	98,281,288	100,469,044
Program Revenues				
Charges for services	6,991,017	10,455,329	10,712,960	11,049,613
Operating grants and contributions	12,882,221	14,482,426	15,296,807	16,500,862
Total program revenues	19,873,238	24,937,755	26,009,767	27,550,475
Net Expenses	(75,987,917)	(68,571,609)	(72,271,521)	(72,918,569)
General Revenues				
Property taxes	33,623,577	35,167,066	41,602,634	41,891,815
State aid not restricted to specific purposes	38,055,333	37,866,181	37,933,767	38,506,189
Investment earnings	790,211	432,336	1,273,406	2,545,124
Other	3,948,969	2,155,847	5,282,923	3,283,966
Total general revenues	76,418,090	75,621,430	86,092,730	86,227,094
Change in Net Assets	\$ 430,173	\$ 7,049,821	\$ 13,821,209	\$ 13,308,525

Source: Bloomfield Hills Schools audited financial reports

Note: 2002 and prior years not available. The School District implemented GASB #34 in the 2003 fiscal year.

Bloomfield Hills Schools

	1997	1998	1999	2000	2001
General Fund:					
Reserved	\$ 168,970	\$ 187,383	\$ 315,282	\$ 626,308	\$ 2,357,273
Unreserved	<u>10,263,272</u>	<u>12,416,563</u>	<u>13,229,559</u>	<u>13,279,320</u>	<u>13,354,466</u>
Total General Fund	<u>\$ 10,432,242</u>	<u>\$ 12,603,946</u>	<u>\$ 13,544,841</u>	<u>\$ 13,905,628</u>	<u>\$ 15,711,739</u>
All other governmental funds:					
Reserved	\$ -	\$ -	\$ -	\$ 138,026	\$ 159,291
Unreserved - Reported in:					
Capital Project Funds	5,784,668	28,559,900	23,984,787	21,480,625	21,780,141
Debt Service Funds	<u>325,589</u>	<u>130,744</u>	<u>170,889</u>	<u>252,435</u>	<u>342,603</u>
Total all other governmental funds	<u>\$ 6,110,257</u>	<u>\$ 28,690,644</u>	<u>\$ 24,155,676</u>	<u>\$ 21,871,086</u>	<u>\$ 22,282,035</u>

Sources: Bloomfield Hills Schools audited financial reports

**Fund Balances - Governmental Funds
Last Ten Fiscal Years**

2002	2003	2004	2005	2006
\$ 2,282,626	\$ 1,324,586	\$ 2,214,247	\$ 1,186,535	\$ 475,251
<u>16,644,855</u>	<u>19,331,212</u>	<u>18,783,482</u>	<u>22,193,840</u>	<u>24,895,533</u>
<u>\$ 18,927,481</u>	<u>\$ 20,655,798</u>	<u>\$ 20,997,729</u>	<u>\$ 23,380,375</u>	<u>\$ 25,370,784</u>
\$ 178,522	\$ 2,683,860	\$ 6,046,980	\$ 10,249,775	\$ 12,031,732
17,736,921	7,604,784	8,016,086	8,811,785	9,884,029
<u>473,519</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 18,388,962</u>	<u>\$ 10,288,644</u>	<u>\$ 14,063,066</u>	<u>\$ 19,061,560</u>	<u>\$ 21,915,761</u>

Bloomfield Hills Schools

	1997	1998	1999	2000
Revenue				
Local revenue	\$ 39,153,453	\$ 40,549,472	\$ 42,544,367	\$ 47,525,000
State revenue	32,051,970	34,542,384	35,659,644	37,112,292
Federal revenue	831,890	717,948	940,015	1,017,010
Interdistrict revenue	6,250,002	4,910,599	5,673,749	5,719,687
Total revenue	78,287,315	80,720,403	84,817,775	91,373,989
Expenditures				
Current:				
Instruction	39,363,614	38,967,437	40,092,533	42,855,551
Support services	27,388,697	27,549,099	29,085,912	29,739,182
Food services	1,504,900	1,624,625	1,880,223	2,000,184
Athletics	1,859,927	1,802,609	1,903,387	1,913,976
Community services	2,436,562	2,272,805	2,371,473	2,520,814
Debt service:				
Principal	1,345,000	905,000	741,719	748,220
Interest	291,793	864,637	1,376,309	1,423,069
Other	662	30,857	3,247	3,339
Capital outlay	2,180,710	6,224,623	14,095,686	12,093,457
Total expenditures	76,371,865	80,241,692	91,550,489	93,297,792
Excess of Revenue Over (Under) Expenditures	1,915,450	478,711	(6,732,714)	(1,923,803)
Other Financing Sources (Uses)				
Debt issuance	-	27,280,000	3,138,641	-
Debt premium or discount	-	(3,006,620)	-	-
Transfers in	2,776,661	3,447,883	4,371,768	4,690,130
Transfers out	(2,776,661)	(3,447,883)	(4,371,768)	(4,690,130)
Debt defeasance	-	-	-	-
Total other financing sources (uses)	-	24,273,380	3,138,641	-
Extraordinary Item	-	-	-	-
Net Change in Fund Balances	1,915,450	24,752,091	(3,594,073)	(1,923,803)
Fund Balances - Beginning of year	14,627,049	16,542,499	41,294,590	37,700,517
Fund Balances - End of year	\$ 16,542,499	\$ 41,294,590	\$ 37,700,517	\$ 35,776,714
Debt Service as a Percentage of Noncapital Expenditures	2.26%	2.49%	2.82%	2.75%

Sources: Bloomfield Hills Schools audited financial reports

* Capital outlay and employee benefits for the fiscal years ended June 30, 2002 and thereafter were included in the related functions.

Changes in Fund Balances - Governmental Funds Last Ten Fiscal Years

2001	2002	2003	2004	2005	2006
\$ 45,610,922	\$ 44,324,219	\$ 45,506,505	\$ 43,884,212	\$ 51,535,388	\$ 52,930,160
39,595,148	40,616,309	40,279,891	41,146,491	40,837,636	42,345,751
878,639	1,258,168	1,483,712	1,713,568	1,915,333	2,301,957
6,249,616	8,629,648	9,173,951	14,065,064	14,939,250	15,491,846
92,334,325	94,828,344	96,444,059	100,809,335	109,227,607	113,069,714
44,906,339	47,259,191	50,040,359	47,089,289	49,378,017	52,634,596
29,519,700	32,907,520	34,459,528	35,533,591	35,333,151	37,452,741
2,021,527	2,175,634	2,186,132	2,267,014	2,165,690	2,930,400
1,819,550	1,839,701	1,941,617	1,932,411	2,153,740	2,200,202
2,234,518	2,075,369	2,374,259	3,137,030	3,197,421	2,166,026
835,386	923,141	725,000	815,000	910,000	1,161,922
1,391,174	1,355,135	1,219,300	1,188,125	1,152,265	918,241
357	3,839	772	600	600	1,187,571
7,388,714	6,966,145	6,943,276	4,729,922	7,555,583	6,843,124
90,117,265	95,505,675	99,890,243	96,692,982	101,846,467	107,494,823
2,217,060	(677,331)	(3,446,184)	4,116,353	7,381,140	5,574,891
-	-	-	-	-	18,025,000
-	-	-	-	-	909,721
4,006,968	4,235,644	4,751,187	7,589,008	6,388,428	5,351,376
(4,006,968)	(4,235,644)	(4,751,187)	(7,589,008)	(6,388,428)	(5,351,376)
-	-	-	-	-	(19,665,002)
-	-	-	-	-	(730,281)
-	-	(2,925,817)	-	-	-
2,217,060	(677,331)	(6,372,001)	4,116,353	7,381,140	4,844,610
35,776,714	37,993,774	37,316,443	30,944,442	35,060,795	42,441,935
\$ 37,993,774	\$ 37,316,443	\$ 30,944,442	\$ 35,060,795	\$ 42,441,935	\$ 47,286,545
2.77%	2.65%	2.14%	2.23%	2.24%	3.36%

Bloomfield Hills Schools

Taxable Value by Property Type						
Tax Year	Real Property				Personal Property	Total Value
	Residential	Commercial	Industrial	Agricultural and Other		
1996	\$ 2,177,013,927	\$ 180,622,816	\$ 435,297	\$ 335,512	\$ 64,873,025	\$ 2,423,280,577
1997	2,261,463,027	188,363,893	453,953	349,891	67,700,548	2,518,331,312
1998	2,355,719,291	194,456,045	481,900	389,620	74,839,550	2,625,886,406
1999	2,449,750,475	202,088,846	486,950	395,850	84,650,410	2,737,372,531
2000	2,551,454,279	213,297,654	554,755	403,370	74,503,566	2,840,213,624
2001	2,705,269,209	213,425,445	512,020	416,270	78,188,910	2,997,811,854
2002	2,865,316,526	219,645,525	527,890	429,500	79,079,870	3,164,999,311
2003	2,965,512,948	227,335,246	655,145	327,572	81,893,100	3,275,724,011
2004	3,103,350,380	241,562,110	424,770	446,050	70,210,010	3,415,993,320
2005	3,245,004,930	241,562,110	424,770	446,050	70,210,010	3,557,647,870

Note: Under Michigan law, the revenue base is taxable value. The property tax base in the School District is contingent upon the taxable property values. Taxable value increases are limited by variable caps and other restrictions, which generally cause taxable values to be at or below the state equalized values, which are primarily market-driven. Taxes levied in a particular “tax year” become revenue of the subsequent fiscal year.

Source: Michigan Department of Treasury L-4029

**Taxable Value and Actual Value of Taxable Property
Last Ten Fiscal Years**

Tax Rate (mills)	Estimated Actual Value	Taxable Value as a Percent of Actual
30.1424	\$ 4,846,561,154	0.50
30.1749	5,036,662,624	0.50
29.3166	5,251,772,812	0.50
29.1929	5,474,745,062	0.50
29.0561	5,680,427,248	0.50
28.4336	5,995,623,708	0.50
27.4651	6,329,998,622	0.50
27.9302	6,551,448,022	0.50
30.7410	6,831,986,640	0.50
30.4311	7,115,295,740	0.50

Bloomfield Hills Schools

Millage Rates - Direct School District Taxes							
Operating					Total Direct Taxes		
Tax Year	Fiscal Year Ended June 30	Homestead	Non- homestead	Debt*	Sinking Fund*	Homestead	Non- homestead
1996	1997	11.1124	18.0000	0.5150	-	11.6274	18.5150
1997	1998	10.8349	18.0000	0.6700	-	11.5049	18.6700
1998	1999	9.9766	18.0000	0.6700	-	10.6466	18.6700
1999	2000	10.0221	17.8308	0.6700	-	10.6921	18.5008
2000	2001	9.7161	18.0000	0.6700	-	10.3861	18.6700
2001	2002	9.0936	18.0000	0.6700	-	9.7636	18.6700
2002	2003	8.4058	18.0000	0.6700	-	8.7951	18.6700
2003	2004	8.5902	18.0000	0.6700	-	9.2602	18.6700
2004	2005	8.4010	18.0000	0.6700	1.5000	10.5710	20.1700
2005	2006	8.1155	18.0000	0.6700	1.4878	10.2733	20.1578

* Debt and sinking fund millages apply to homestead and nonhomestead property

** Suburban Mobility Authority Regional Transportation

Source: Municipal Advisory Council of Michigan

Direct and Overlapping Property Tax Rates Last Ten Fiscal Years

Overlapping Taxes

Oakland County	Oakland Community College	Oakland Intermediate School District	State Education	City of Bloomfield Hills	City of Troy	City of Orchard Lake Village	Township of Bloomfield	Township of West Bloomfield	SMART**
4.9480	1.6522	2.1294	6.0000	6.3800	9.4800	11.0200	7.5600	7.1310	-
5.1780	1.6522	2.1294	6.0000	6.4200	9.4800	10.9500	7.2400	7.8060	-
4.8180	1.6522	2.1294	6.0000	6.7100	9.4800	10.7100	6.6700	7.7760	-
4.6560	1.6456	2.0998	6.0000	7.6400	9.4800	10.5000	7.0400	7.7390	0.3200
4.6500	1.6295	1.6456	6.0000	7.6400	9.4800	10.5000	7.0400	7.7739	0.3200
4.6478	1.6109	2.0752	6.0000	7.6400	9.4800	10.5000	7.0400	7.7739	0.3200
4.6438	1.5952	3.6456	6.0000	7.6400	9.4800	10.5000	7.0400	7.7739	0.3200
4.1900	1.5983	3.3991	5.0000	7.5500	10.1474	9.1000	10.9197	9.4693	0.3200
4.1900	1.5889	3.3789	6.0000	8.3000	10.0462	9.0200	11.5495	9.3694	0.3200
4.6461	1.5844	3.3690	6.0000	8.3000	10.0450	8.9600	11.6081	9.6569	0.3200

Bloomfield Hills Schools

	2005 Taxable Value	Percentage of Total	2004 Taxable Value	Percentage of Total	2003 Taxable Value	Percentage of Total
Bloom-Wood Centre Ltd. Partners	\$ 12,562,280	0.16	\$ 11,887,560	0.16	\$ 11,448,580	0.13
2100 Woodward Assoc. LLC	9,886,190	0.13	9,218,920	0.13	8,878,490	0.10
Prudential Capital Group	9,877,230	0.13	9,346,730	0.13	9,001,570	0.10
Ridge Road Properties	9,114,580	0.12	8,625,040	0.12	8,306,540	0.09
Bloomfield Woodward Ave. Assn.	7,887,200	0.10	7,463,580	0.10	7,187,970	0.08
Bloomfield Parkway Association	7,633,780	0.10	7,223,780	0.10	6,957,020	0.08
Davidson, William	5,393,250	0.07	-	-	-	-
Woodward Hills Nursing Center	5,181,570	0.07	4,384,840	0.06	-	-
Bloomfield Valley Properties	5,173,710	0.07	4,840,190	0.07	4,661,450	0.05
Wajim Corporation	4,668,900	0.06	4,413,620	0.06	-	-
Detroit SMSA LTD Partnership	-	-	-	-	8,246,210	0.09
Bloomfield Plaza	-	-	-	-	5,710,150	0.06
P & C Real Estate Investment	-	-	-	-	-	-
Bloomfield Long Lake Association	-	-	-	-	-	-
MGI Properties	-	-	-	-	-	-
Visual Services	-	-	-	-	-	-
Jay Kogan	-	-	-	-	-	-
Jonna Companies	-	-	-	-	-	-
Metro Life Insurance Company	-	-	-	-	-	-
Detroit Edison	-	-	5,661,117	0.08	17,688,110	0.20
Total	\$ 77,378,690		\$ 73,065,377		\$ 88,086,090	

Source: Respective municipalities and Oakland County Equalization Department

Note: Details for 1995, 1996, and 1997 not available; earliest year available was 1998

Principal Property Taxpayers

2002 Taxable Value	Percentage of Total	2001 Taxable Value	Percentage of Total	2000 Taxable Value	Percentage of Total	1999 Taxable Value	Percentage of Total	1998 Taxable Value	Percentage of Total
\$ 11,093,590	0.13	\$ 11,093,590	0.13	\$ 11,232,540	0.13	\$ 10,615,601	0.13	\$ -	-
8,603,190	0.10	8,603,190	0.10	6,532,270	0.07	8,310,740	0.10	-	-
8,722,460	0.10	8,722,460	0.10	11,441,990	0.13	8,779,500	0.11	-	-
8,048,980	0.09	8,048,980	0.09	11,154,460	0.13	7,933,710	0.10	7,533,450	0.11
6,965,090	0.08	6,965,090	0.08	11,485,540	0.13	6,865,140	0.08	6,518,980	0.09
6,741,300	0.08	6,741,300	0.08	8,336,460	0.09	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
4,516,910	0.05	4,516,910	0.05	-	-	-	-	4,227,620	0.06
-	-	-	-	-	-	-	-	-	-
8,246,210	0.10	8,246,210	0.10	7,853,540	0.09	-	-	-	-
5,710,150	0.07	5,710,150	0.07	5,478,060	0.06	5,375,920	0.07	5,256,320	0.07
-	-	-	-	6,019,340	0.07	-	-	-	-
-	-	-	-	-	-	10,428,790	0.13	9,207,230	0.13
-	-	-	-	-	-	7,518,650	0.09	-	-
-	-	-	-	-	-	4,989,250	0.06	4,411,400	0.06
-	-	-	-	-	-	-	-	10,383,060	0.15
-	-	-	-	-	-	-	-	8,163,790	0.11
-	-	-	-	-	-	-	-	7,400,260	0.10
17,688,110	0.20	17,688,110	0.20	9,226,880	0.10	11,759,720	0.14	8,012,850	0.11
\$ 86,335,990		\$ 86,335,990		\$ 88,761,080		\$ 82,577,021		\$ 71,114,960	

Bloomfield Hills Schools

Property Tax Levies and Collections Last Ten Fiscal Years

Tax Year	Fiscal Year Ended June 30	Total Levy	Current Collections	Percent Collected	Delinquent Collections	Total Tax Collections	Percent of Levy Collected
1996	1997	\$ 31,067,384	\$ 30,026,013	96.65	\$ 980,437	\$ 31,006,450	99.80
1997	1998	30,390,195	30,025,704	98.80	258,046	30,283,750	99.65
1998	1999	30,358,175	29,040,999	95.66	902,650	29,943,649	98.63
1999	2000	32,446,289	31,187,373	96.12	1,164,104	32,351,477	99.71
2000	2001	33,464,152	32,016,087	95.67	1,298,409	33,314,496	99.55
2001	2002	33,635,205	33,407,255	99.32	49,118	33,456,373	99.47
2002	2003	33,909,219	33,650,273	99.24	11,036	33,661,309	99.27
2003	2004	35,463,099	35,213,570	99.30	83,646	35,297,216	99.53
2004	2005	41,631,883	41,231,137	99.04	169,638	41,400,775	99.44
2005	2006	42,372,279	42,175,755	99.54	169,788	42,345,543	99.94

Source: Bloomfield Hills Schools audited financial reports

Bloomfield Hills Schools

Fiscal Year	General Obligation Bonds	Less Pledged Debt Service Funds	Net General Bonded Debt	Other General Obligation Debt	Total General Obligation Debt	Taxable Value
1997	\$ 2,975,000	\$ -	\$ 2,975,000	\$ -	\$ 2,975,000	\$ 2,423,280,577
1998*	26,375,000	-	26,375,000	-	26,375,000	2,518,331,312
1999**	28,771,922	-	28,771,922	-	28,771,922	2,625,886,406
2000	28,023,702	-	28,023,702	-	28,023,702	2,737,372,531
2001	27,188,613	-	27,188,613	-	27,188,613	2,840,213,624
2002	26,265,175	-	26,265,175	-	26,265,175	2,997,811,854
2003	25,550,175	-	25,550,175	-	25,550,175	3,164,999,311
2004	24,725,175	-	24,725,175	-	24,725,175	3,275,724,011
2005	23,815,175	-	23,815,175	-	23,815,175	3,415,993,320
2006	21,013,248	-	21,013,248	-	21,013,248	3,557,647,870

* The School District issued \$27,280,000 in general obligation bonds in November 1997. A portion of the proceeds was used to advance refund the School District's \$2,975,000 outstanding general obligation bonds.

** \$3,138,641 in bonds was issued by the State of Michigan on the School District's behalf as a portion of litigation settlement. Currently, principal and interest payments are funded by the State of Michigan.

Sources: Bloomfield Hills Schools audited financial reports
Population information obtained from Southeast Michigan Council of Governments

**Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years**

Net General Bonded Debt as a Percentage of Taxable Value	Total Debt as a Percentage of Taxable Value	Population	Net General Bonded Debt per Capita	Total Debt per Capita
0.12	0.12	40,500	\$ 73	\$ 73
1.05	1.05	40,500	651	651
1.10	1.10	40,500	710	710
1.02	1.02	40,500	692	692
0.96	0.96	42,000	647	647
0.88	0.88	42,000	625	625
0.81	0.81	42,000	608	608
0.75	0.75	42,000	589	589
0.70	0.70	42,000	567	567
0.59	0.59	42,000	500	500

Bloomfield Hills Schools

Direct and Overlapping Governmental Activities Debt Year Ended June 30, 2006

Governmental Unit	Debt Outstanding	Estimated Percent Applicable	Estimated Share of Overlapping Debt
Oakland Intermediate School District	\$ 9,215,000	6.06	\$ 558,429
Oakland Community College	10,050,000	6.08	611,040
Oakland County	113,000,096	6.04	6,825,206
City of Bloomfield Hills	4,761,979	84.23	4,011,015
City of the Village of Orchard Lake	13,446,028	3.04	408,759
City of Troy	49,121,641	1.39	682,791
Township of Bloomfield	38,089,380	63.93	24,350,541
Township of West Bloomfield	10,937,313	13.79	1,508,255
Total overlapping debt	<u>\$ 248,621,437</u>		38,956,036
Direct district debt			<u>19,160,000</u>
Total direct and overlapping debt			<u>\$ 58,116,036</u>

Source: Municipal Advisory Council of Michigan

Bloomfield Hills Schools

	1997	1998	1999	2000
Calculation of Debt Limit				
State equalized valuation (SEV)	\$ 2,515,491,832	\$ 2,623,300,003	\$ 2,625,886,326	\$ 2,736,765,356
15% of SEV *	377,323,775	393,495,000	393,882,949	410,514,803
Calculation of Debt Subject to Limit				
Total debt	2,975,000	26,375,000	28,771,923	28,023,700
Less debt not subject to limit - State qualified debt issuance	-	(3,138,639)	(2,816,923)	(2,558,700)
Net debt subject to limit	2,975,000	23,236,361	25,955,000	25,465,000
Legal Debt Margin	\$ 374,348,775	\$ 370,258,639	\$ 367,927,949	\$ 385,049,803
Net Debt Subject to Limit as Percent of Debt Limit	0.79%	5.91%	6.59%	6.20%

* Public Act No. 451 of Michigan 1976, Sec. 1351A provides debt limits as follows: The bonded indebtedness of a school district shall not exceed 15 percent of all assessed valuation of the district. Bonds not included in the computation of the legal debt margin are:

1. Refunding bonds
2. Any bond qualified under Article IX, Section 16 of the 1963 Michigan Constitution
3. Deficit budget bonds as authorized by Sec. 1356

Source: School District audited financial reports

**Legal Debt Margin
Last Ten Fiscal Years**

2001	2002	2003	2004	2005	2006
\$ 2,837,121,783	\$ 2,996,484,144	\$ 3,164,524,001	\$ 3,275,724,011	\$ 3,418,131,778	\$ 3,557,647,870
425,568,267	449,472,622	474,678,600	491,358,602	512,719,767	533,647,181
27,188,613	26,265,175	25,550,175	24,725,175	23,815,175	21,013,248
(2,288,313)	(2,005,175)	(2,005,175)	(2,005,175)	(2,005,175)	(1,853,248)
24,900,300	24,260,000	23,545,000	22,720,000	21,810,000	19,160,000
<u>\$ 400,667,967</u>	<u>\$ 425,212,622</u>	<u>\$ 451,133,600</u>	<u>\$ 468,638,602</u>	<u>\$ 490,909,767</u>	<u>\$ 514,487,181</u>
5.85%	5.40%	4.96%	4.62%	4.25%	3.59%

Bloomfield Hills Schools

Principal Employers Last Ten Fiscal Years

Taxpayer	2006 Employees	Percentage of Total Employment	1996 Employees	Percentage of Total Employment
Cranbrook Academy of Art	500	2.84	450	3.47
Oakland Community College	400	2.27	170	1.31
Taubman Centers	375	2.13		-
PriceWaterhouseCoopers LLP	250	1.42		-
Pulte	225	1.28	185	1.43
Woodward Hills Nursing Center	200	1.14		-
U.S. Post Office	198	1.12		-
Plunkett & Cooney PC	180	1.02		-
Kingsley Hotel	175	0.99	115	0.89
Dickinson Wright PLLC	140	0.79		
Total principal employers	2,643		920	
Total employment	17,612		12,957	

Source: Southeast Michigan Council of Governments

Note: All years not readily available.

Bloomfield Hills Schools

Year	Kindergarten	First Grade	Second Grade	Third Grade	Fourth Grade	Fifth Grade	Sixth Grade
1995-1996	388.32	356.63	425.67	360.22	391.15	467.89	422.12
1996-1997	331.44	401.69	383.31	418.56	396.21	409.80	476.53
1997-1998	324.82	353.33	415.05	404.73	428.91	394.11	413.02
1998-1999	311.96	374.48	380.49	437.29	418.56	450.85	407.10
1999-2000	306.24	361.66	377.51	409.35	456.40	429.44	466.84
2000-2001	323.06	405.51	356.84	378.98	413.76	434.99	483.78
2001-2002	318.06	403.81	361.00	372.14	411.18	436.78	481.16
2002-2003	340.10	360.55	414.79	371.45	387.26	398.50	426.44
2003-2004	317.34	346.92	372.82	416.88	387.19	399.96	421.09
2004-2005	314.24	334.06	367.75	410.36	429.88	435.38	422.81
2005-2006	348.94	299.21	348.13	375.39	411.89	444.88	441.23

Source: School District fall student count (full-time equivalent) State of Michigan audited

**Student Enrollment
Last Ten Fiscal Years**

Seventh Grade	Eighth Grade	Ninth Grade	Tenth Grade	Eleventh Grade	Twelfth Grade	Special Education	Total
430.88	456.19	434.68	463.41	479.69	458.39	269.07	5,804.31
434.21	457.20	465.96	450.37	459.84	487.60	295.59	5,868.31
482.74	436.78	458.53	463.17	436.38	460.84	307.30	5,779.71
437.83	490.01	442.61	478.13	483.33	447.73	334.35	5,894.72
416.94	449.26	521.48	454.81	495.80	487.20	322.57	5,955.50
417.19	487.72	451.78	488.18	526.86	450.48	345.22	5,964.35
416.30	489.78	453.82	482.58	528.06	474.43	337.62	5,966.72
484.68	410.25	508.53	473.94	518.52	559.81	328.71	5,983.53
467.61	520.67	459.56	531.69	478.38	506.66	327.28	5,954.05
432.88	475.37	552.88	485.02	559.92	482.60	346.11	6,049.26
443.85	439.64	491.96	557.29	492.52	559.10	333.32	5,987.35

Bloomfield Hills Schools

Function/ program	1996	1997	1998	1999	2000
General government:					
Instruction	449.14	450.72	455.72	464.55	474.62
Support services - Instruction	212.86	215.00	215.00	219.00	234.00
Transportation	67.00	62.00	62.00	62.00	62.00
Operations and maintenance	95.50	96.00	97.00	99.00	99.00
Executive/School administration	58.80	59.80	54.80	55.00	65.00
Community service	24.20	25.00	25.00	25.00	25.00
Athletics	4.00	4.00	4.00	4.00	4.00
Food service	<u>27.67</u>	<u>27.67</u>	<u>27.67</u>	<u>30.07</u>	<u>30.07</u>
Total	<u>939.17</u>	<u>940.19</u>	<u>941.19</u>	<u>958.62</u>	<u>993.69</u>

Source: Bloomfield Hills School District Personnel Department

**Full-time Equivalent School District Employees
Last Ten Fiscal Years**

<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
482.74	482.86	487.12	470.60	477.00	490.25
240.00	243.00	245.00	261.40	269.00	270.42
62.00	62.00	62.00	61.00	63.00	62.00
96.00	94.00	94.00	95.00	94.00	94.00
66.00	68.00	71.00	69.00	70.00	70.00
25.00	25.00	25.00	25.00	25.00	25.00
4.00	4.00	4.00	4.00	4.00	4.00
<u>30.07</u>	<u>31.07</u>	<u>31.57</u>	<u>32.07</u>	<u>32.57</u>	<u>33.42</u>
<u>1,005.81</u>	<u>1,009.93</u>	<u>1,019.69</u>	<u>1,018.07</u>	<u>1,034.57</u>	<u>1,049.09</u>

Bloomfield Hills Schools

Operating Indicators Last Ten Fiscal Years

Year	Enrollment	Operating Expenditures*	Cost per Pupil	Operating Revenues*	Revenue per Pupil	Total Teaching Staff	Percentage of Students Qualifying for Free/Reduced Meals	Average Teacher Salary
1997	5,868.31	\$ 6,224,623	\$ 1,061	\$ 4,910,599	\$ 837	450.72	2.04	\$ 60,324
1998	5,779.71	80,241,692	13,883	80,720,403	13,966	455.72	2.30	61,478
1999	5,894.72	91,550,489	15,531	84,817,775	14,389	464.55	2.05	62,404
2000	5,955.50	93,297,792	15,666	91,373,989	15,343	474.62	1.98	62,182
2001	5,964.35	90,117,265	15,109	92,334,325	15,481	482.74	1.88	60,711
2002	5,966.72	95,505,675	16,006	94,828,344	15,893	482.86	2.06	64,217
2003	5,983.53	99,890,243	16,694	96,444,059	16,118	487.12	2.44	64,716
2004	5,954.05	96,692,982	16,240	100,809,335	16,931	470.60	3.07	68,363
2005	6,049.26	101,846,467	16,836	109,227,607	18,056	477.00	4.07	69,721
2006	5,987.35	107,494,823	17,954	113,069,714	18,885	490.25	4.38	70,003

Source: Bloomfield Hills Schools audited financial statements

* Operating expenditures and revenues for 2006 are shown net of related debt refunding activities

Bloomfield Hills Schools

Function/Program	1997	1998	1999	2000	2001
Instructional buildings:					
Elementary:					
Number of buildings	6	6	6	6	6
Square footage	312,715	312,715	312,715	312,715	312,715
Capacity	2,971	3,046	3,063	3,010	3,071
Enrollment*	2,377	2,437	2,450	2,408	2,457
Middle:					
Number of buildings	3	3	3	3	3
Square footage	336,522	336,522	336,522	336,522	336,522
Capacity	1,720	1,723	1,734	1,706	1,704
Enrollment*	1,376	1,378	1,387	1,365	1,363
High:					
Number of buildings	3	3	3	3	3
Square footage	488,897	488,897	488,897	488,897	488,897
Capacity	2,341	2,404	2,541	3,121	3,080
Enrollment*	1,873	1,923	2,033	2,497	2,464
Other:					
Number of buildings	4	4	4	4	4
Square footage	118,150	118,150	118,150	118,150	118,150
Capacity	219	223	220	338	329
Enrollment*	175	178	176	270	263
Administrative:					
Number of buildings	2	2	2	2	2
Square footage	46,500	46,500	46,500	46,500	46,500
Transportation:					
Number of garages	1	1	1	1	1
Buses	60	60	53	59	61
Athletics					
Football fields	5	5	5	5	5
Soccer fields	15	15	15	15	15
Running tracks	2	2	2	2	2
Baseball/Softball	18	18	18	18	18
Swimming pools	2	2	2	2	2
Playgrounds	8	8	8	8	8

* Enrollment reflects all students enrolled including consortium students and tuition students. Student count is head count, not full-time equivalent membership count.

**Capital Asset Information
Last Ten Fiscal Years**

2002	2003	2004	2005	2006
6	6	6	6	6
312,715	312,715	312,715	312,715	312,715
2,966	2,945	2,906	2,961	2,880
2,373	2,356	2,325	2,369	2,304
3	3	3	3	3
336,522	336,522	336,522	336,522	336,522
1,778	1,761	1,819	1,719	1,713
1,422	1,409	1,455	1,375	1,370
3	3	3	3	3
488,897	488,897	488,897	488,897	488,897
3,021	3,285	3,111	3,218	2,691
2,417	2,628	2,489	2,574	2,153
4	4	4	4	4
118,150	118,150	118,150	118,150	118,150
226	221	221	244	279
181	177	177	195	223
2	2	2	2	2
46,500	46,500	46,500	46,500	46,500
1	1	1	1	1
63	61	66	75	75
5	5	5	5	5
15	15	19	19	19
2	2	2	2	2
18	18	18	18	18
2	2	2	2	2
8	8	8	8	8

Capital Asset Building Detail
Year Ended June 30, 2006

	Acreage	Square Footage	Year Built	Student Count*
Elementary Schools				
Conant	16.642	50,970	1960	415
Eastover	18.000	60,295	1955	424
Hickory Grove	27.719	52,700	1956	405
Lone Pine	20.000	56,900	1967	337
Pine Lake	22.990	43,450	1957	302
Way	19.788	48,400	1966	409
Middle Schools				
Bloomfield Hills	25.000	112,860	1958	489
East Hills	30.420	113,102	1962	504
West Hills	55.390	110,560	1966	371
High Schools				
Andover	43.241	210,877	1955	1,006
Lahser	61.000	216,270	1967	1,031
International Academy	20.300	61,750	1965	606
Other District Facilities				
Wing Lake Developmental Center	4.500	28,900	1955	173
Fox Hills Center	27.300	42,950	1967	27
Charles L. Bowers Farm	87.757	19,700	1975	N/A
E. L. Johnson Nature Center	40.100	6,000	1985	N/A
Booth Center	18.090	39,400	1962	N/A
Board of Education Offices	4.100	7,100	1966	N/A
Recreation [1]	N/A	3,000	1985	N/A
Maintenance [2]	N/A	12,000	1980	N/A
Transportation [3]	N/A	5,600	1966	N/A
Vacant Property - Wabeek Site	18.000	-		-
Total	560.337	1,302,784		6,499

[1] Located on Board of Education Office property

[2] Located on Andover High School property

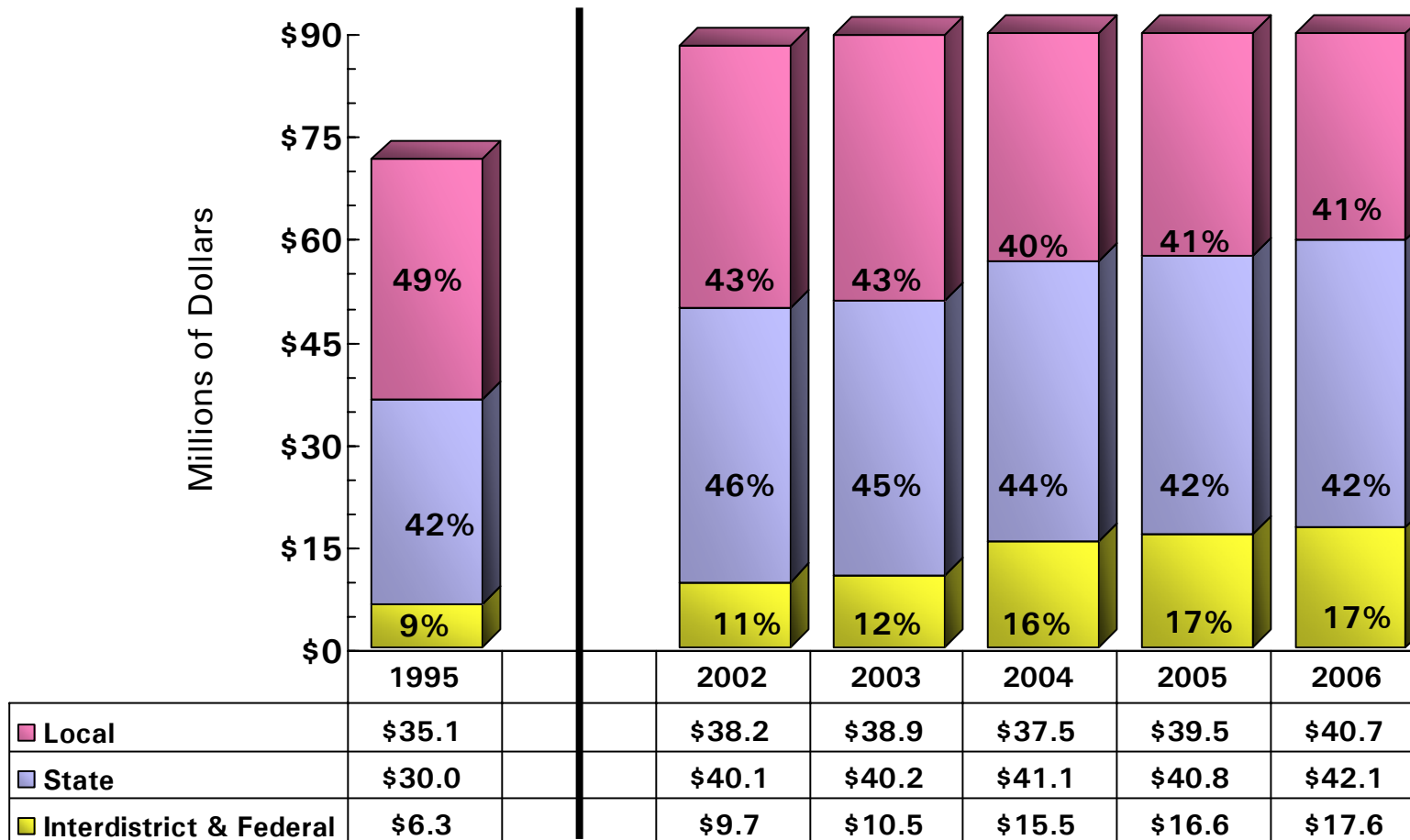
[3] Located on East Hills Middle School property

*Student count reflects all students enrolled in each building (including consortium students at the International Academy and Bloomfield Hills Schools tuition students). Student count is head count not full-time equivalent membership count.

Bloomfield Hills Schools

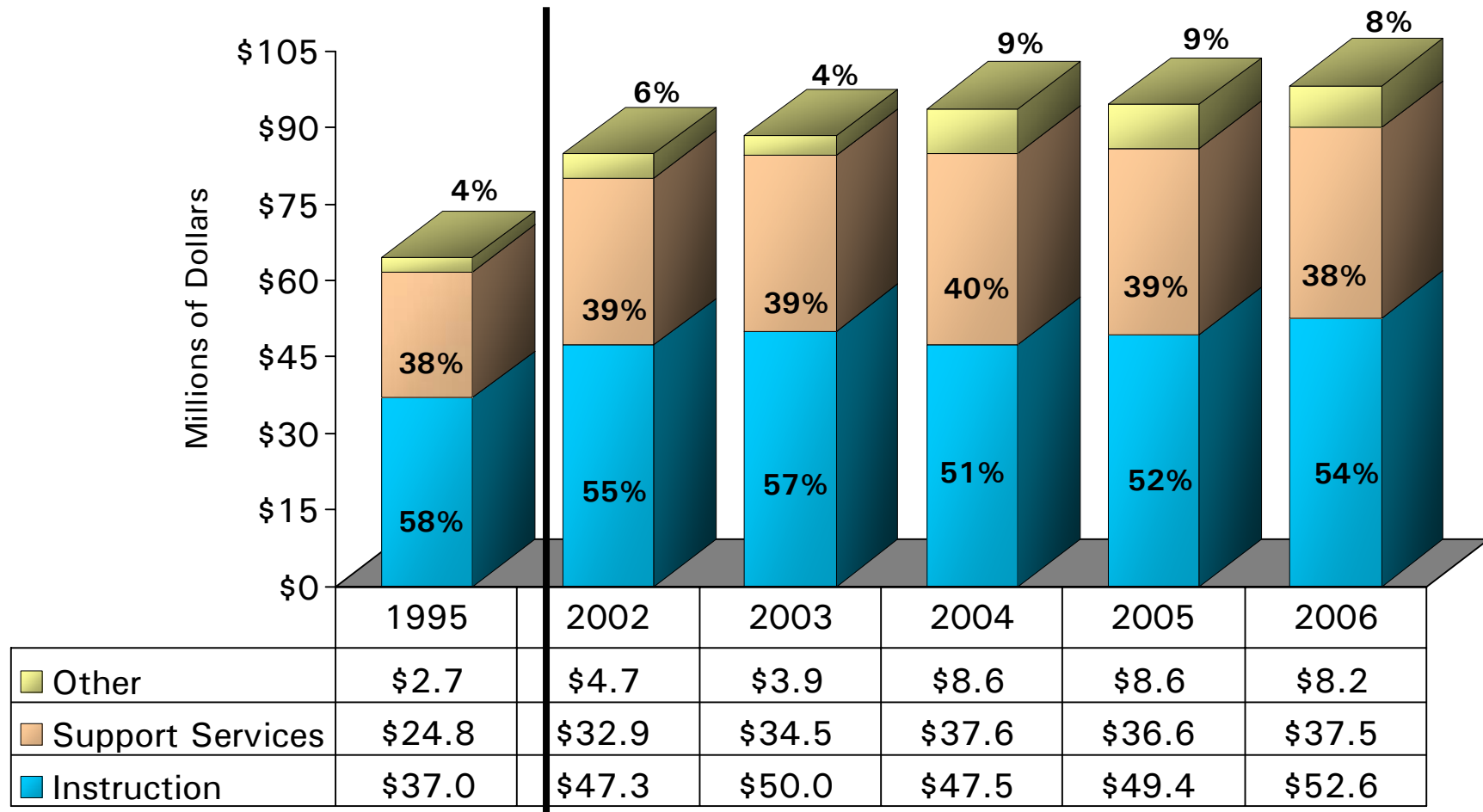
Comparative General Fund Revenue

Years Ended June 30



Bloomfield Hills Schools

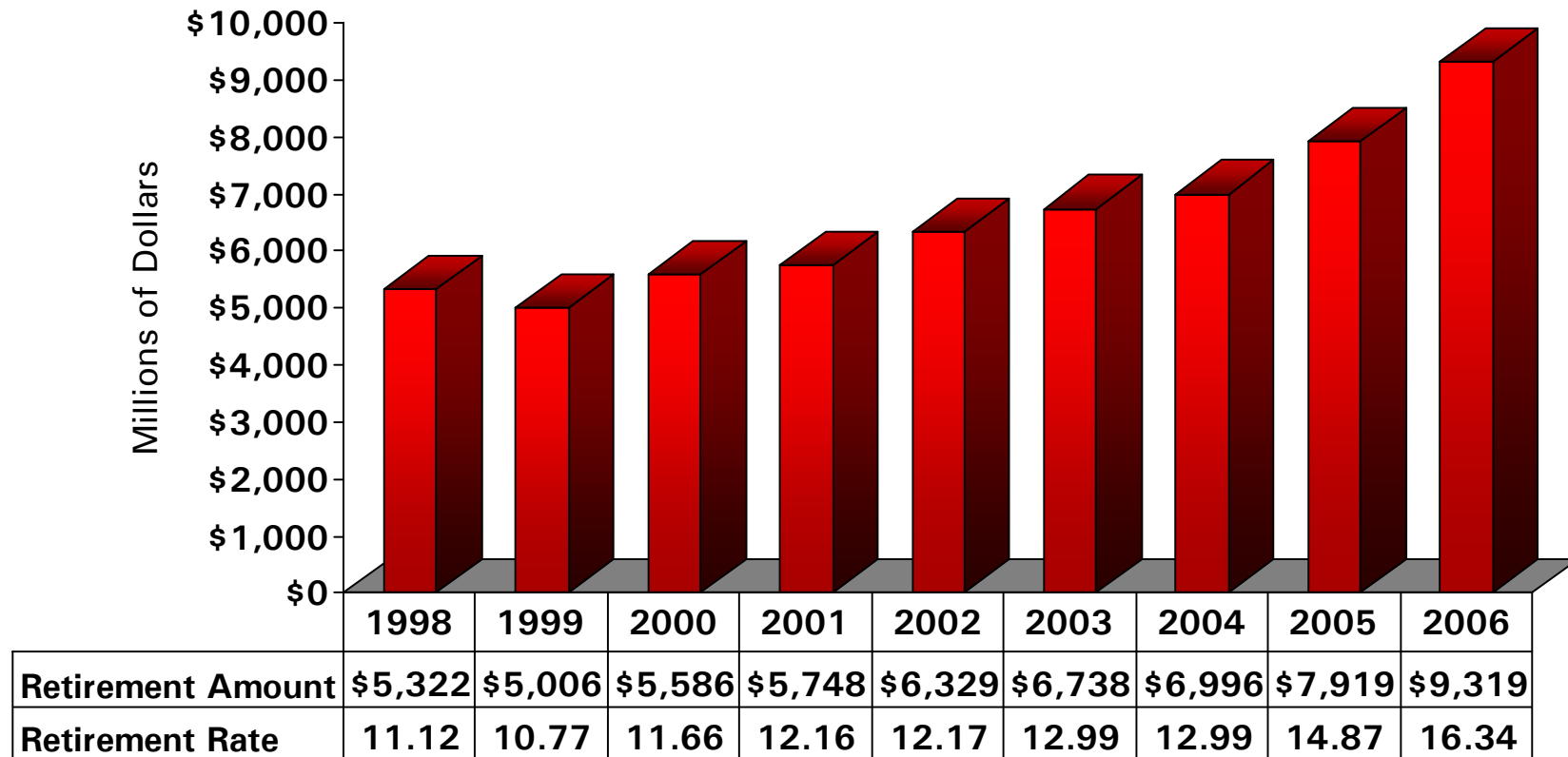
Comparative General Fund Expenditures and Other Uses Years Ended June 30



Bloomfield Hills Schools

Retirement Funding — MPERS Expense

Years Ended June 30



Bloomfield Hills Schools

Comparison of Michigan Schools General Fund Balances

As a Percentage of Expenditures

1995/1996 through 2004/2005

1995/1996 Through 2004/2005

